

Ghanaian Remitters in the Netherlands: A Preliminary Overview¹

I. Introduction

International labor migration continues to flow at a global scale bringing and transferring with it different resources, including knowledge, capital, and money. The Ghanaian community in the Netherlands is an emblematic example of a migrant group and a diaspora with important transnational links in the Netherlands and Ghana.

This paper presents the findings of a random survey of 330 Ghanaian migrants who send remittances from the Netherlands. The study shows that Ghanaians are an active community engaged with their home country. This community exhibits incomes relatively lower and younger than native born Dutch.

When it comes to sending money the majority of Ghanaian senders remit €260 nine times a year (what may amount conservatively to €40 million a year sent by all migrants). In addition to remitting they keep in touch with their families and communities to a significant extent, and have some minimum financial engagement back home. Although immigrants do hold bank accounts in the Netherlands, their ability to save or borrow through the formal system is significantly small, despite that over half are informally saving in some way or another.

The results of this survey offer important input on how to leverage remittance flows as well as how to improve Ghanaian socio-economic conditions in the Netherlands.

III. Methodology

Data for the study comes from a survey conducted over a three month period, from April 2007 to June 2007. The survey, which included 330 migrants, collected detailed information on a wide range of topics including incomes, expenditures, education, employment, migration and remittances.

The survey was commissioned by Oxfam/Novib-Netherlands and randomly sampled Ghanaians remitting money in principal cities of the Netherlands. Large cities were chosen due to the high concentration of Ghanaians in those cities. The number of those surveyed was 1.7 percent of all Ghanaians.

All subjects interviewed were 18 years or older, Ghanaian and had family or relatives in Ghana to whom they sent money. The survey draws on a mixed method comprising of a questionnaire survey and interviews conducted at different locations, such as churches, and popular Ghanaian shopping areas. was collected through the direct interview method (face-to-face).

IV. Demographic Profile of Ghanaian Migrants

Ghanaian migration to the Netherlands is a recent phenomenon, dating back no more than thirty years. The migration coincides with the greater opening of global economic relations in Ghana and political transitions inside the country. Ghanaians are one of the most important African migrant groups in the Netherlands, but as a percent of all migrants, they represent a relatively small population. The Bureau of Statistics report less than 20,000 officially registered migrants equaling less than 1 percent of all foreign born people in the Netherlands. The majority, 56 percent, have lived in the Netherlands for 10 years or more. The largest bracket, 25 percent, has lived in the Netherlands between 10 and 12 years. This migration figure based on the national statistic (CBS) does not however include the large number of undocumented Ghanaian migrants in the Netherlands. The actual figure is likely much higher than official statistics suggest.

¹Manuel Orozco, Inter-American Dialogue, and Mindanda Mohogu. Survey commissioned by Oxfam-Novib. Report prepared in December 2007. We thank Nancy Castillo, J. Corbett Hix of the Inter-American Dialogue for research assistance in preparing this report.

Table 1: Migration in the Netherlands

	(#)	(%)
Total population	16,357,992	
Foreign born population	3,170,406	100
Africa	521,672	16
Ghana	19,437	1
America	580,877	18
Asia total	708,935	22
Europe	1,339,242	42
Oceania	19,680	1

Source: Centraal Bureau voor de Statistiek (CBS), Voorburg/Heerlen 2007-07-17

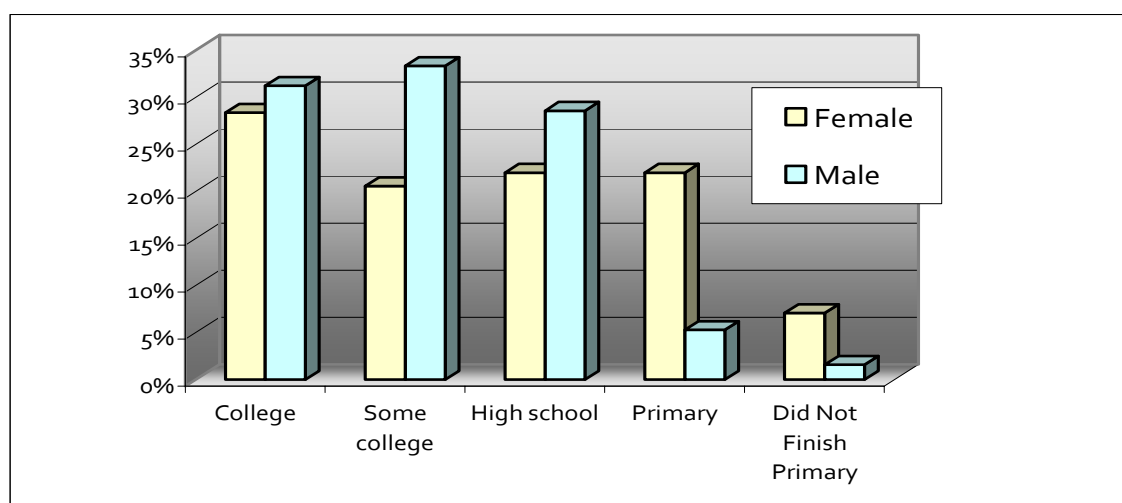
According to the survey, nearly half of all Ghanaian migrants in the Netherlands (41%) live in the city of Amsterdam, followed by the city of The Hague (30%). Amsterdam has the largest Ghanaian community in the Netherlands. There are very developed networks of Ghanaians that usually take the form of associations offering community support and other services related to daily livelihood in the Netherlands. The main form of Ghanaian association revolves around churches and ethnic associations which provide support to Ghanaian migrants.

According to the survey, about 70 percent of migrants donate to religious or community groups while visiting Ghanaian shops provide another mechanism for socialization. About 79 percent of Ghanaian migrants sometimes visit shops owned by their fellow countrymen to buy Ghanaian products consisting mostly of foods (62%), clothes, music and movies. These shops provide locations for migrants to exchange news about the community, such as deaths, births, and other important events.

The profile of the Ghanaian migrant community is 57 percent male and 43 percent female, averaging 40 years of age and living in a household of three. The majority of migrants interviewed have personal annual incomes of €20,000 or under and nearly half (46%) are in the €10,000 to €15,500 income bracket. Annual household income followed the same pattern with 70 percent making €20,000 and under; and 36 percent earning between €10,000 and €15,500. This indicates that overall there is one predominant breadwinner in every household.

The majority of senders are not Dutch citizens. Of the 28 percent of respondents who hold citizenship the majority (63%) are male. Citizenship is positively related with the length of time living in the Netherlands. The majority, 97 percent, possesses a passport and over half, 68.2 percent, have a social security number.

Figure 1: Educational Background by Gender



In terms of education, Ghanaian senders have a relatively high education rate with nearly sixty percent having at least some college education and 30 percent holding a college degree. This statistic however is more pronounced among men than women with the latter having lower educational attainment. In general, about 84 percent of Ghanaian senders have at least attended secondary school and about 96 percent of the remittance senders have finished their primary education. While only 3.9 percent of the population did not finish primary school, out of this group 76.9 percent are women.

V. Characteristics of Ghanaian remitters

The majority of Ghanaians surveyed send remittances to two principal cities in Ghana, the capital Accra (43%) and Kumasi (37%). Related data shows that this number coincides with 49 percent sending to the Greater Accra region and 42 percent sending to the Ashanti region. On average, in 2007 Ghanaians sent €260.85 at a frequency of 9 times per year. This would yield a conservative estimate of €40 million a year.

One finding of this survey is that there are no significant differences between educational status and amount sent. Regardless of education level, migrants tend to remit different amounts that do not linearly correspond to their education. However, it is important to point out that differences in amount sent are relatively small and total to less than to €200 a year.

Table 2. Basic demographic characteristics of Ghanaian remitters

Gender	Mean €
Female	1958
Male	2124

Age	Mean €
25-35	2202
35-45	2021
45-55	2044
55+	1800

Education	Mean €
College	2000
Some college	2236
High school	2183
Primary	1487
Did not finish primary school	2104

Table 3. Remittance sent and Income

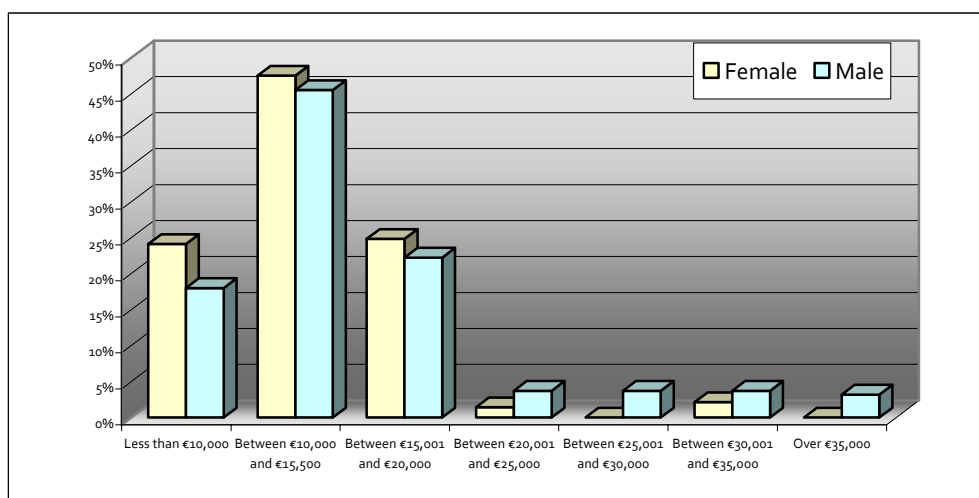
Annual personal income (range)	Female		Male	
	Mean	%	Mean	%
Less than 10,000	225	10	230	10
Between 10,000 and 15,500	232	20	281	26
Between 15,001 and 20,000	234	11	283	13
Over 20,000	350	2	400	6

Income however is a relative determinant of the amount sent. The differences between those earning less than €10,000 and those over €20,000 (only 8% of all remitters), amounts to more than €100 a month. Ghanaian migrant incomes depend on employment status in the Netherlands and such employment status has a positive relationship in terms of remitting. On the other hand, remittance sending is not dependent on the immigration status of Ghanaians in the Netherlands.

The survey indicates that majority of the migrants, about 30 percent, send money twelve times per year. Among this group, migrants earning between €10,000 and 15,500 a year represent 41.4 percent of the total; 26 percent earn less than €10,000 per year; and about 22 percent earn above €20,000 a year.

This survey shows that both men and women earning the minimum salary send remittances more or less equally despite the difference noted in the frequency of sending money. Indeed, the survey shows that women send money as frequently as men, specifically between the frequency bracket of 6 to 12 times a years.

Figure 2. Gender and Annual Personal Income

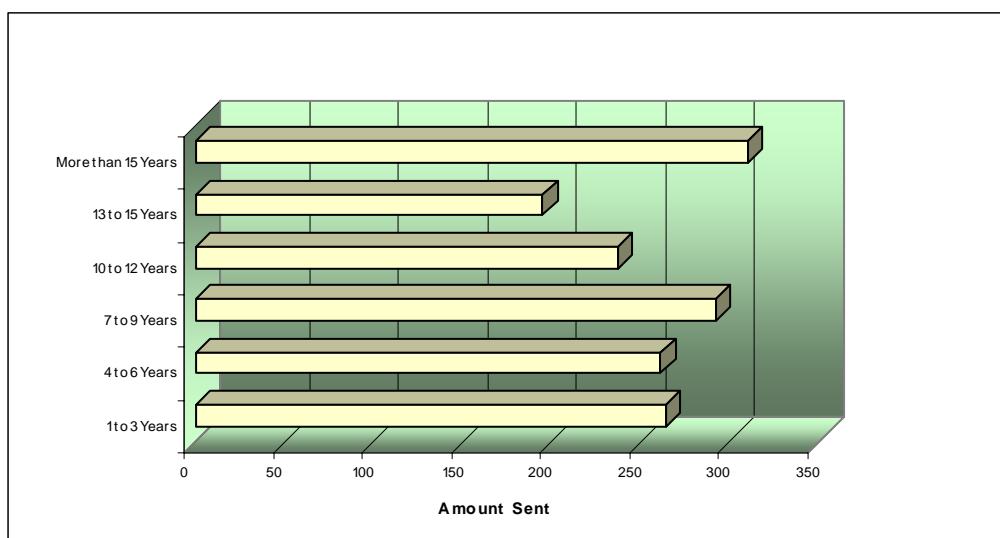


Other factors such as, the presence of immediate family and other financial commitments in the Netherlands, can have a strong influence on the income and thus reduce both the frequency and amount of money remitted. This suggests that a higher income does not always have a positive impact on the probability of remitting.

When looking at the time span since remittance began, the survey shows that respondents have been sending remittances for a wide range of time spans, in fact, over 70 percent have been sending between four and twelve years, though nearly a third have sent between four and six years. It is also important to note that there is a slight curvilinear relationship whereby flows increase over time, but then decline and return again to the average. Overall however, the difference between those remitting recently and those who have been remitting for over fifteen years is relatively small. A similar finding is obtained when looking at length of time living in the host country. The finding is relatively different

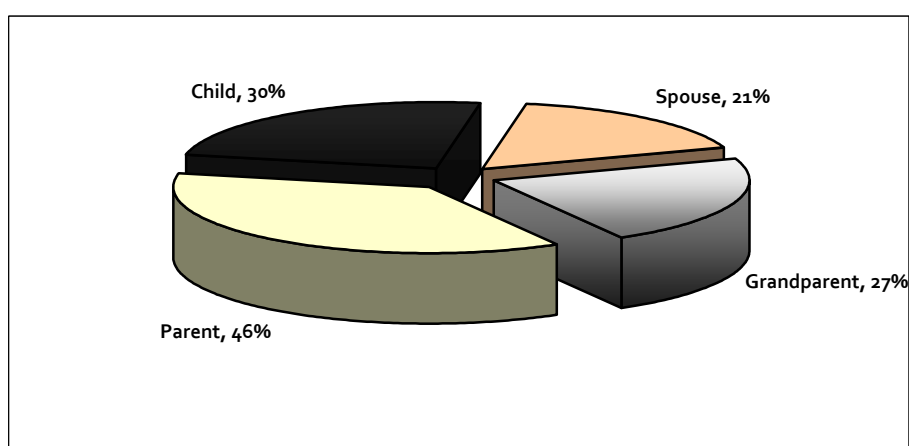
to what is seen in other parts of the world. One reason may be the presence of stronger ties in Ghana and the Ghanaian tendency of extended family kinship.

Figure 3: Average Amount Sent by Time in Netherlands



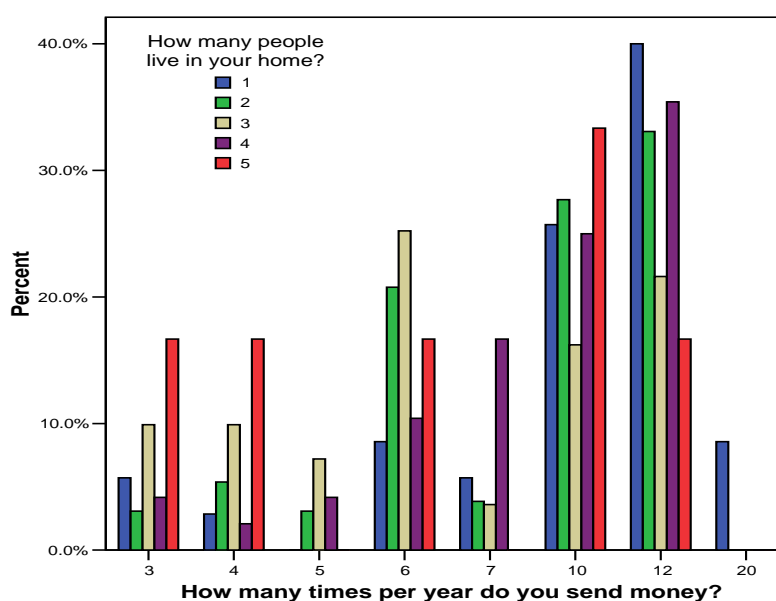
Remittances to Ghana are generally sent to immediate family. Money flows primarily to parents (46%), children (30%), spouses (21%) and grandparents (3%). Money is also sent to other relatives, but it represents only a small percent. In some case, it was difficult for some migrants to say to whom their money was sent exactly because it was distributed to various family members in Ghana.

Figure 4: Main Recipient of Remittances



In general, many factors, including the number of dependents, personal situation in the home country, earnings and amount saved, play a role in a migrant's decision to send money to the home country.

Figure 5. Frequency of Remittances and Household Composition



The migrant decision to send money home is also determined by economic activities in the host countries, exchange rates, and marital status. But, among these, both existing and the new relationships established with Ghana play an important role. For example, migrants with stronger connections or deeper social commitments to Ghana have to send money more regularly. The following table shows that migrants with savings accounts and those keeping small family business in Ghana remit with higher frequency than those who do not.

Table 4. Remittance Frequency and Economic Activities Maintained in Ghana

How many times per year do you send money?	What kinds of economic activities do you maintain with Ghana?			
	Has a savings account in a bank in Ghana	Has a mortgage loan (to pay property, house or construction) in Ghana	Keeps small family or commercial business in Ghana	Loans money to family for small investments in Ghana
3	6	2	9	4
4	3	2	4	1
5	5	2	5	1
6	13	6	24	8
7	2	1	9	3
10	21	9	33	10
12	25	14	32	10
15	1		2	

Remittances and contact with family

Most Ghanaian migrants maintain relations with their family in Ghana through relatively frequent telephone calls and periodic visits home. Ghanaians visit their home country once every two to three years. Migrants call family members or relatives in their home country two or more times per week with the average call length ranging between eleven and thirty minutes; other migrants tend to call once every two weeks.

Table 5. Average Length of Phone Call in Minutes

	%
Less than five minutes	7.0
Between six and ten minutes	14.2
Between eleven and twenty minutes	26.7
Between twenty and thirty minutes	23.9
More than thirty minutes	28.2
Total	100.0

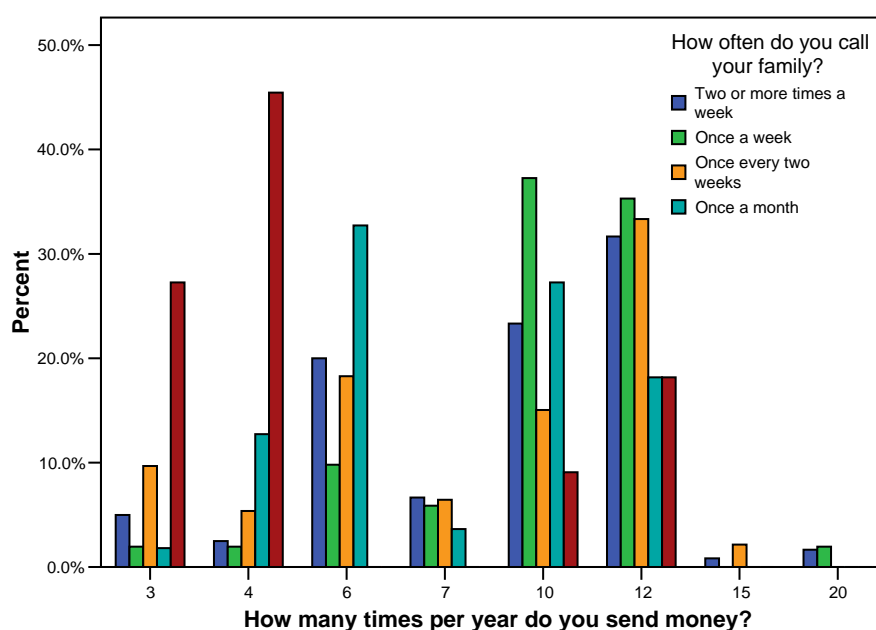
The frequency of home country calls has increased tremendously due to growth in the telecommunication market that has increased access and lowered mobile phone prices and call rates. Indeed, growing numbers of telecommunication providers and the emergence of pre-paid telephone cards have increased competition which has greatly reduced calling prices. Additionally, family members in Ghana have growing access to mobile phones and can frequently brief migrants about conditions at home. As prices from the host country are often cheaper, family members frequently send a SMS to the migrant requesting a call back to save money.

Table 6. How often do you call you family?

	%
Two or more times a week	36.4
Once a week	15.5
Once every two weeks	28.2
Once a month	16.7
I call very little	3.3
Total	100.0

Technology not only influences the frequency of calling families but also has a large impact on the volume of money sent. The frequency of migrant telephone calls to families explains the volume of remittances sent in most cases. The more migrant calls his home, the more he sends money to his family back home. The frequency of migrant contacts with their home country influences the volume of remittances as the solicitation for help is more frequent compared to migrants who maintain less contact with Ghana.

Figure 6. Frequency of Calls Home and Money Sent



The above table shows that migrants who call at least once every week, send money more frequently than migrants who call once a month or very little. However, calling very little does not always mean less money. Some migrants do not call frequently, but instead arrange to send a fixed amount of money every year. In particular this amount may increase as a result of a death or sickness in the migrant family.

Regular contact with the home country influences migrants' engagement in activities in Ghana. Migrants with regular contacts in Ghana tend to be those who have one or more business activities back home. These contacts allow them to maintain control of their businesses from abroad.

VI. Transfer channels

Ghanaians favor established and licensed money transfer operators over informal channels. The money transfer companies most favored by senders are Unity Money Transfer (42%). Western Union (35%) and Moneytrans at a distant third (9.1%). Both providers benefit from dense concentrations in both Ghanaian populated areas in the Netherlands and Ghana.

Seventy percent of Ghanaians said "reliability" is the most important quality of remittance providers. Other attributes included "fast delivery" (12%) and "good service" (9%). Indeed, transfers made by preferred providers can take just ten minutes to reach the recipient in Ghana (including time required to carry out administrative formalities). While 59 percent of respondents made reference to the high cost of sending money, Ghanaians are prepared to pay more for service that is fast and reliable and are satisfied or very satisfied (95%) with the company they use. Only eight percent of Ghanaians use money transfer operator services other than remittance transfers.

Only six percent of remittances are carried informally in person or through acquaintances. Additionally, some Ghanaian-owned shops and small businesses offer remittance services using individuals travelling between the two countries.

Money transfers from the Netherlands received in Ghana are concentrated in the regions of Ashanti (49%) and Greater Accra (42%). However, not all immigrants come from these areas and funds are frequently picked up by an acquaintance and then transferred or brought to the final destination.

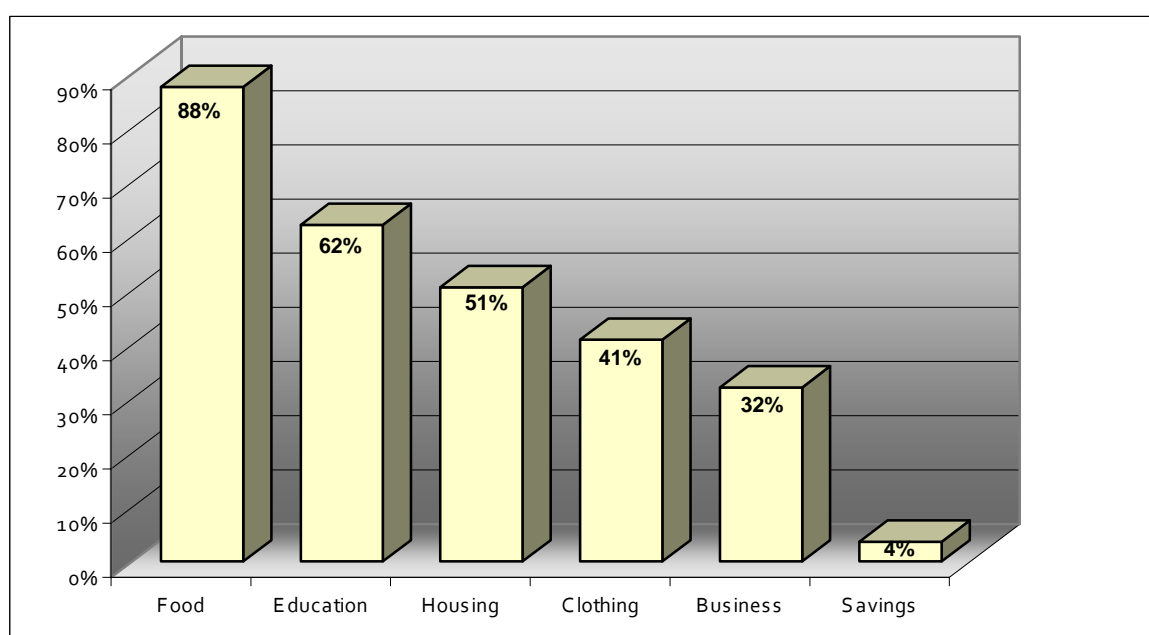
VII. Use of remittances

Both the receiver profile and the usage of money from Ghanaian migrants mirror world trends. Family members are the dominant receivers of remittances. Almost half of all migrants send money directly to their parents while children are the second most frequent beneficiary. The amount sent to these recipients does not vary significantly between the type of family relation with an average of €2069 sent to parents and €1947 sent to children. Remittance funds are principally applied to basic household needs and consumer expenditures including food (88%), education (62%) and housing (51%). Money applied to financial assets such as savings and business investment is somewhat lower. Only 32 percent of remitters stated that money went to support family members, friends or relatives in starting a business and personal savings is very small (3.6%).

Table 7: Average Sent to Beneficiary

Beneficiary	Average Sent	% Primary Recipient
Husband/wife	€2145	21.2%
Mother/father	€2069	45.8%
Children	€1947	30.3%
Grandparents	€2267	2.7%

Figure 7. Uses of Remittances by Recipients (%)



Over 50 percent of remitters have either completed university or have some university education and 62 percent cited education as a primary use of remittances indicating a relatively high value placed on education. During interviews, respondents indicated that investment in education increased the likelihood of family members finding gainful employment, and that this in turn would reduce the remitter's financial obligations.

Housing represent the primary form of investment for remittance recipients and also drives decisions to remit money home. All migrants interviewed expressed a strong interest to own their own home. Interviews also indicated that migrants viewed investment in housing as less risky than other forms of investment and that housing could lead to less dependence on remittance incomes. One person interviewed, Mrs. Cynthia, who is from Suriname but is married to a Ghanaian, sends money to her brother-in-law to build a house in Ghana as a business investment.

“I do not really see it as our house. Even if we would move to Ghana, I do not expect to live in this house. When we finish building the house, my husband’s family will rent it out and then we can stop sending money to Ghana.”

For some migrants, investment in housing is not solely a result of a desire to help family members but, like education, is intended to help reduce migrant financial obligation to their home countries. This experience is not unique to Ghanaians and is observed in other societies.

About thirty-two percent of remittance funds are used for business purposes. Many migrants interviewed showed a desire to find an income-increasing business niche in their home country but stated that the need for large amounts of startup capital inhibit prospects. Furthermore, interviews demonstrated a preference to start a business with a close friend or family member as a method of reducing risk. Alternatively, some interviewees favored investing in an *existing* business due to the prospect of faster returns on investment. From this perspective, migrant connectedness with community and family back home influences business investment decisions.

VII. A Transnational Diaspora?

Transnationalism can be defined by how and to what degree groups of migrants participate in and maintain relations with fellow countrymen in both the host country and in their country of origin.² These communities have emerged in large numbers as globalization has intensified the integration of developing countries’ economies.³ Transnational communities have increased in size as globalization has intensified the movement of people in search of economic opportunity.

Methods to analyze transnational ties consist of identifying ways people regularly maintain relationships with their families and communities including migrant visits to their home country, telephone calls home, purchasing goods from the home country and membership to hometown associations. Economic linkages including business or real estate investment and savings accounts in the home country can also serve as a measurement of transnational participation.

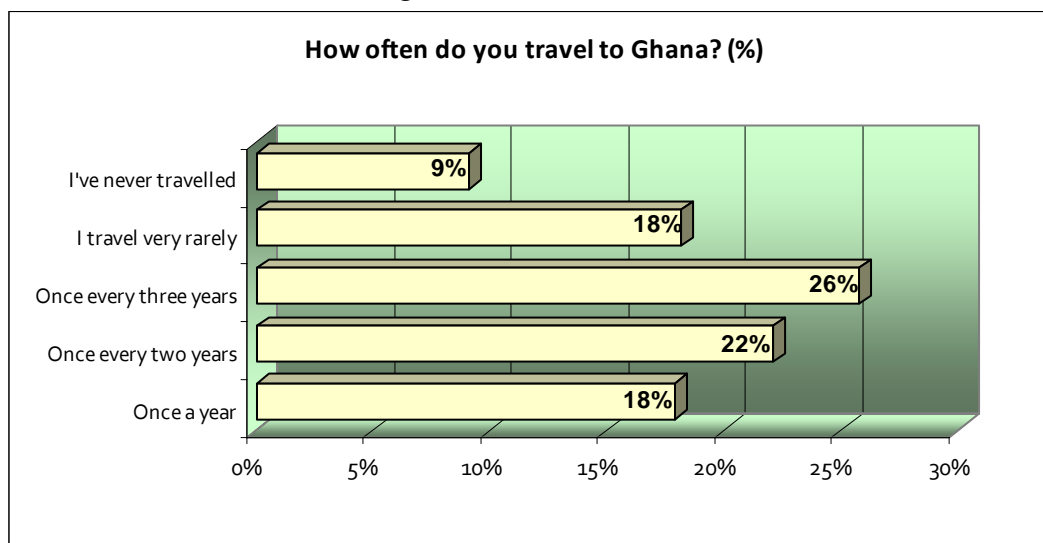
Ghanaian community participation in the Netherlands parallels research on Ghanaians living in the U.S., the U.K, and Germany showing Ghanaian communities are actively engaged with their home country.⁴ Twenty-five percent of Ghanaian remittance senders travel at least once a year and almost half travel once every two or three years. They spent on average €935 on airfare tickets typically bought through local travel agencies working in Africa. Only five percent purchase tickets over the internet. While visiting Ghana, half stay for a period of less than 2 months (usually three weeks) and nearly half (45%) spend between €1,000 and €3000 during their stay. Indeed, one quarter of Ghanaians spend as much in Ghana as they send while in the Netherlands.

² M. Orozco, “Transnational Engagement, Remittances and Their Relationship to Development in Latin America and the Caribbean,” *Institute for the Study of International Migration, Georgetown University, July* (2005)

³ B. R. Roberts, R. Frank, and F. Lozano-Ascencio, “Transnational migrant communities and Mexican migration to the US,” *Ethnic and Racial Studies* 22, no. 2 (1999): 238-266. There are a range of definitions including the “groupings of migrants who participate on a routine basis in a field of relationships, practices and norms that include both places of origin and destination”.

⁴ M. Orozco, “Diasporas, Development and Transnational integration.”

Figure 8: Travel to Ghana



Ghanaians in the Netherlands call their family more often than traveling: 36 percent call two or more times a week, 16 percent call once a week and 28 percent call once every two weeks. Over half speak to their family members for over twenty minutes with nearly a third of the total respondents (28%) indicating more than thirty minutes. On average however, a typical remittance sender speaks 132 minutes a month.

The implications of the number of calls are both symbolic and material. First, they reflect the extent of effort to stay in touch and communicate with each other. Second, this symbolic way of maintaining and nurturing emotional ties translates into an important business for the two countries hosting the conversations. In practical terms, this exchange of phone calls, mostly by mobile phones, amounts to at least 20 million minutes a year which can add up to four million Euros in revenue from phone calls.

Moreover, these symbolic and material practices complement each other through the transnational ties and in turn have effects on economic development. This is particularly the case with nostalgic trade, the acquisition of home country goods. The survey showed that the majority, 79 percent, of respondents purchase products made in their home country; 62 percent of these purchases consisted of food. The economic impact of €50 per capita purchases amounts to, on average, half a million Euros contributed by the immigrant Ghanaian community.

In addition to personal connections is the participation in collective organizing that supports local communities in their country of origin called hometown associations (HTA). Literature on hometown associations has shown that diasporas seek to express a sense of belonging and that joining these organizations, which albeit, are primitively organized, are important spaces for identity sharing.⁵ Over 50 percent of Ghanaians in the Netherlands belong to a HTA, higher than their counterparts in Germany, the UK and U.S.

⁵ Orozco 2004; Orozco 2007.

Table 8: Remitters who belong to an HTA

Country of origin	(%)	Country of origin	(%)
Philippines	35.0	Honduras	6.7
Guyana	26.3	Colombia	5.6
Nigeria	16.0	Mean	5.5
Jamaica	15.5	Nicaragua	4.0
Ghana - USA	21.0	Dominican Republic	3.3
Ghana – Germany	37	Guatemala	2.8
Ghana – U.K	28	Mexico	2.1
Ghana – Netherlands	52	El Salvador	1.5
Ecuador	10.0	Bolivia	1.4
Haiti	9.5		

Source: Orozco and Fedewa 2005; Orozco 2005a Orozco 2005b
Survey of Ghanaians in the Netherlands

Defining these four activities (calls home, nostalgic purchases, HTA participation, visits home) as minimum indicators of transnational engagement, we find that forty percent of Netherland Ghanaians are engaged in at least two activities while only ten percent are engaged in all activities.

Table 9. Transnational Engagement

Engagement	Percent	Remittance
.00	2.7	
1.00	26.1	€276
2.00	41.5	€231
3.00	19.7	€286
4.00	10.0	€250

As mentioned previously, senders also take part in financial activities in Ghana; over a third (38%) of senders have a small family or commercial business, 23 percent have a savings account, and 11 percent loan money to family for small investments in Ghana. In fact, 82 percent of respondents expressed that they contribute to their families beyond remittances to fulfill other economic obligations. These obligations include loaning money to their family for other investment related expenses (38%), helping with the payment of real estate loans on property, a home, or construction (21%), and contributing to the payment of a student loan (21%). Migrants who have financial activities in Ghana send on average more than those who do not. Those who have a home mortgage, business loan, pension plan or student loan in Ghana tend to send more money than those without financial obligations.

Table 10. Financial Activities in Ghana by Amount Sent

	Avg. Annual Amount Sent
Has a savings account in a bank in Ghana	€222
Has a mortgage loan (to pay property, house or construction) in Ghana	€554
Keeps small family or commercial business in Ghana	€2051
Has a loan to maintain business in Ghana	€386
Has a student loan in Ghana	€742
Has a pension plan In Ghana	€769
Loans money to family for small investments in Ghana	€103

Table 11. Financial Activities by Accumulated Number and Amount Sent

Number of financial activities	Avg. Annual Amount Sent
None	€2016
1	€1894
2	€1789
3	€177
4	€663

Community improvement project

Social networks within the Ghanaian community in the Netherlands are well developed and often take the form of HTAs that offer community support. These associations establish links to their communities in Ghana through collective projects that build schools, churches and bridges among other activities. The goal of these projects is to improve the social and economic situation of their communities in Ghana. Although the majority of migrants send money individually, 52 percent of migrants contribute to hometown association to help their community in Ghana.

HTAs are not solely involved in the development of their community in Ghana, but also in the Netherlands. One of these organizations, Recogin (The Representative Council of Ghanaian Organisations in the Netherlands), was set up by Ghanaian migrants in 1992 soon after the Bijlmer plane crash of October 1992 and has become an umbrella organisation for about thirty-six self-help organisations and churches. Recogin organizes activities such as workshops, symposia and conferences, in order to update their fellow countrymen about significant developments in the Netherlands and also to discuss issues relative to their living in the Netherlands.

Other organizations are more involved in socio-economic development activities in Ghana. One of the most important examples is Sankofa. The Sankofa Foundation is an active organization that began in 2000 as a group of Ghanaian migrants living in Holland with a shared interest in Ghana. Initially, the group organized small activities in The Hague. These included cultural activities which aimed to raise money for projects in Ghana, and activities that promoted interaction between the Dutch and Ghanaian people. The aims of the organization were to promote social and economic interaction between Ghana and the Netherlands.

With the support of their partners in the Netherlands, they raised funds for local non-government organizations in Ghana allowing them to pursue economic activities in the fields of agriculture, education, micro-financing, gender equality and other income-generating projects in rural communities. Sankofa then expanded and began projects such as the integration of computers into the

Ghanaian education system. Currently, they have slowly broadened into different activities such as a development project called Sankofa Family Poultry in partnership with the Ghana National Association of Farmers and Fisherman (GNAFF). The goal of the project is to improve income levels of rural farm families in Asutsuare and thus meet their food needs. A further aim of this project is to enhance women's income generation capacity and improve household food security. The positive social and economical impact of this project to the community in Ghana has pushed Sankofa to broaden and replicate the concept to cover a wider range of beneficiaries in other districts of Ghana.

In addition to these organizations, churches remain an important social reference point for many Ghanaians in the Netherlands and often assist new migrants. Networks between churches in Ghana and the Netherlands play a crucial contact role between Ghanaians abroad and communities back home. Development activities are promoted through these church initiatives. Sometimes Ghanaians send second-hand clothes through their churches while some church members in the Netherlands support less fortunate children by sponsoring transportation and school fees. Others provide funds to support daily meals for children at school. In these cases, not only individual remittances receivers benefit from these measures, but the entire community.

Ghanaian organizations are not only active in the Netherlands but have expanded to other European countries including England, Spain and Italy. New technology, such as the Internet and mobile phones has played a crucial role in this expansion of communication between transnational Ghanaian communities by creating simple and convenient forms of contact. Ghanaians in the diaspora stay connected largely through web-based radio stations. Online radio has become an important meeting point where Ghanaian migrants in Europe can exchange views and opinions about family or religious issues and situations in Ghana as well as in the Netherlands. Most of the Ghanaian websites are owned by Ghanaians from the diaspora and provide news in addition to information about the Ghanaian diaspora and their activities in their host countries as well in Ghana. In the Netherlands, there are many organizations ranging from simple association websites to organised media websites. One of the most prominent in the Netherlands is www.ghanatoday.com.

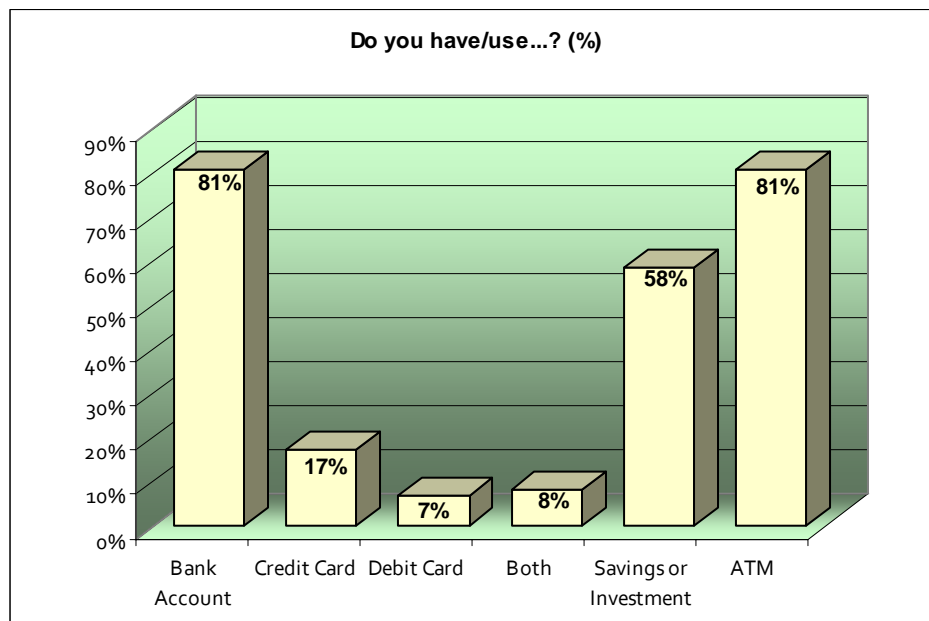
VIII. Observations on financial practices in the Netherlands

Ghanaians in the Netherlands are more likely to hold a non-savings account (90%) than their counterparts in the U.S. or the U.K. (both below 50%). Preferred financial institutions include Postbank (38%), Abn Amro (19%), and Rabo Bank (13%). Among those who do not have accounts, the majority (94%) responded that the primary reason was due to a lack of papers for the bank; few (6%) indicated that they do not need such an account.

The majority of respondents do not have a formal savings account or loan. More than half (62%) do not have any kind of formal loan. Of those who do, financial obligations consist primarily of home loans (21%), business loans (6%) and education loans (6%). While only 10 percent indicated holding a formal savings account, 58 percent responded that they do save or invest in some way. The most identified method of saving was to put money aside (39%) followed by working extra hours to earn additional money (13%). Level of wealth is a significant determinant of savings and regular income influences savings behavior. This is supported by the direct relationship between income and savings: as migrant income declines, so does the amount saved. Interviews showed that most migrants over 40 years old are more concerned about the retirement and tend to have more savings than migrants under this age.

Savings is predominately applied to family related expenses and business expenses. Illness is the primary use of savings (38%) followed by family or self-education and retirement (both 30.9%). Twenty-six percent use savings to invest in a small business. Other uses include death expenses (25%), home improvements (13%) and religious celebrations (11.5%).

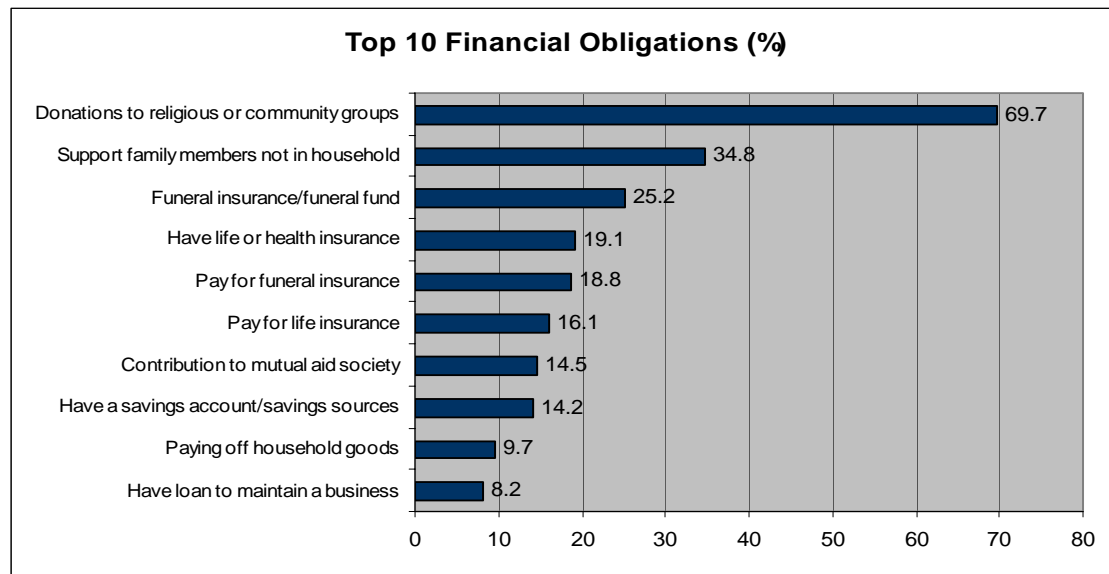
Figure 9. Type of Financial Activities Maintained in the Netherlands



It is notable that fewer than 20 percent responded to having health or life insurance, although 38 percent of respondents reported their financial obligation was to an insurance company. Thirty-six percent had financial obligations with a family member, 23 percent to a bank and 14 were to a credit union. Obligations relating to funeral services are noteworthy because the Ghanaian community pays special attention to funeral ceremonies both in the home and the host country. Expenses of these lavish ceremonies can include hospital and morgue fees, coffin costs, food for guests, hiring of professional mourners and musicians in addition to other related costs. Mazzucato has extensively illustrated the importance of this activity in the day to day life of transnational migrants.⁶

Figure 10. Financial Obligations in the Netherlands

⁶ V. Mazzucato, M. Kabki, and L. Smith, "Transnational Migration and the Economy of Funerals: Changing Practices in Ghana," *Development and Change* 37, no. 5 (2006): 1047-1072; V. Mazzucato and M. Kabki, "Small is beautiful: The politics of transnational relationships between migrant hometown associations and communities back home," *African Alternatives: Initiative and Creativity beyond Current Constraints* AEGIS, Leiden, July (2007)



IX. Statistical determinants of remittances: assets and transnationalism

Are there any statistical determinants of sending money? Do factors such as being a Dutch citizen, or having been away longer, explain the amount sent? Given the relatively small differences in sending, it is likely that few factors are able to explain or determine why people send more than others.

An initial regression model was implemented to learn about possible determinants. The preliminary regression (I) on demographic characteristics of senders shows that none of the factors are statistically significant. Neither age, gender, education or ownership of citizenship explain variation in the amount sent. This finding contradicts survey analysis conducted on other regions, such as Latin America and Central Asia, where in general all demographic and migration factors were important in explaining variation of amount sent.⁷

When the regression was expanded to include migration (II) related factors such as relationship of remittance recipient to the migrant, city of birth, years sent, MTO, use of remittances, the results show more significance. Moreover, in order to control for the use of remittances variable, which is multiple choice, a new variable was created to indicate how many product types were consumed. The new model (III) shows that the more products types consumed, the more money is sent.

The regression model was also expanded to capture factors of transnational involvement: transportation, telecommunication, trade and tourism (IV). The factors which are significantly related to the amount sent are the frequency of sending money, the cost of travel fare, purchase of domestic products, financial activities at home and additional support to family members. The cost of ticket and frequency of traveling to home country are negatively correlated to the amount sent. Those who go home regularly send 12.7 percent less money while those who buy plane tickets costing more than \$1000, tend to send 23% less money home. Interestingly, those who buy products made in Ghana send 20% less money, than those who don't buy those products. Migrants who have financial obligations at home countries and help their families with financial obligations send larger amount of money by approximately 9% and 22% respectively.

A final model (V) the included financial activities of migrants in the Netherlands was added to explore factors that influence the total amount sent. Here the results show that those who save money in the Netherlands tend to send smaller amounts, although the difference, 0.5 percent, is too small to be

⁷ Manuel Orozco, Katy Jacob, and Jennifer Tescher, *Card-Based Remittances: A Closer Look at Supply and Demand* (Chicago, IL: The Center for Financial Services Innovation, 2007)

considered significant. An interesting finding is that those who have a bank account in Netherlands send significantly less money home, approximately 40 percent less. One question raised is why those who do not have bank accounts remit more than those who do. Evidence in other countries shows that lack of account ownership to be an attribute of newly arrived migrants who are still paying obligations back home. What this data suggest is that owning an account is not enough of an indicator of wealth, and informal savings may be correlated with amounts sent.

Other findings from the regression were that money sent to a child increases the amount sent by 30%. Overall, financial activity at home and help to the family with financial obligations are positively correlated with remittances. The amount spent while visiting home is also positively correlated with the amount sent, while length of phone call is, on the contrary, negatively related.

Table 12: Factors Explaining Annual Remittances Received.

	I	II	III	IV	V	VI
_cons	7.95 ***	7.405 ***	7.627 ***	7.252 ***	7.266 ***	6.964 ***
age	-0.026	-0.024	-0.021	0.01	0.028	0.045
agesq	0	0	0	0	0	-0.001
gender	0.045	-0.007	0.021	0.095	0.053	0.046
education	-0.019	-0.017	-0.015	-0.003	0.018	0.016
Housememb	-0.036	-0.027	-0.033	-0.055 *	-0.045	-0.053 **
Citizen	-0.029	-0.08	-0.066	0.013		
Doc_passport	0.167	0.193	0.145	0.262		
Doc_drivlic	-0.042	-0.031	-0.033	-0.014		
docworkID	0.132 **	0.071	0.096	-0.024		
docSSN	0.064	0.121 *	0.041	0.043		
spouse		-0.007	-0.005	-0.102	-0.147 **	-0.116 *
child		0.041	-0.013	0.248 ***	0.325 ***	0.311 ***
accra		0.02	0.045	0.073	0.013	-0.025
wu		0.116 **	0.077	0.108	0.041	0.091 *
sendyear		0.022	0.021			
Use_food		0.267 ***				
Use_clothing		0.127 **				
Use_educ		-0.039				
Use_housing		0.067				
Use_business		-0.041				
Use_saving		0.35 **				
Use_#items			0.056 **			
sendyear				0.003	-0.026	
oftentravel				-0.127 **	0.107 *	0.117 *
TC_cost				-0.225 ***	-0.165 ***	-0.156 ***
staycountry				-0.049	-0.008	-0.018
howmuchspend				0.054	0.009	0.088 **
Howoft_call				0.037	0.009	-0.06 *
Length_call				-0.038	-0.039	-0.088 ***
buyprod				-0.192 **	-0.052	-0.263 ***
Finact_home				0.086 ***	0.092 ***	0.104 ***
Famil_oblig				0.217 **	0.19 *	0.578 ***
prsn_income					-0.012	-0.028
Save_dummy					-0.005 **	-0.004 **
Nedbank_dummy					-0.385 *	-0.31 ***
creditdebitcard					0.287 *	
Oblig_dummy					0.131	-0.025
credit						0.156 **
debit						0.931 ***

*** p < 0.01, ** p < 0.05, * p < 0.10; Number of obs = 276; F(24, 251) = 5.58

X. Policy recommendations as preliminary Conclusions

The level of engagement of the Ghanaian community is relatively variable, but it does show some important issues that have policy implications. Among those are that engagement back home exist, and particularly when it related to finances, the relationships are stronger. However, the link between remittances and financial activities in the Netherlands is rather weak. As the report showed migrants may own an account, but have no savings or other financial services in it.

We have pointed elsewhere about the range of policy initiatives already available to leverage remittances for senders and recipients (Orozco 2007 Moldova; IAD 2007). These include expanding opportunities to reduce transaction costs through competition and technology, strengthening financial access of migrants, developing payout networks with financial and microfinancial institutions in the receiving end. From a short term approach, financial access for Ghanaian migrants should be a first order strategy. Access can be achieved through multiple ways, including financial literacy, financial product design (savings, credits or insurance) both in the remittance origin and destination areas.

To that effect one immediate strategy should consist of developing a transnational financial literacy program aimed at educating senders and recipients. Work in other countries sending and receiving

remittances show the positive impact of financial literacy. Among remittance recipients little has been promoted to educate senders or recipients to expand their knowledge about financial instruments. However, some evidence shows that financial literacy has positive effects.

A recent pilot program on financial literacy performed during a six month period in Moldova to 5,000 remittance recipient clients showed that 80% of those receiving financial education would express their interest in having financial services. Moreover the results of an intake evaluation form showed a strong correlation between owning a savings account and having prior knowledge of financial issues.

Table : Determinants of financial literacy skills

	B	S.E.	Wald	df	Sig.	Exp(B)
Experience budgeting	-.069	.110	.398	1	.528	.933
Gender	.014	.100	.018	1	.892	1.014
Age	.043	.004	103.871	1	.000	1.044
Education	.103	.034	9.400	1	.002	1.109
Income	.045	.022	4.235	1	.040	1.046
Length of time receiving	.164	.064	6.484	1	.011	1.178
Informal saving	.452	.111	16.690	1	.000	1.571
Banking or SCA	2.330	.138	286.151	1	.000	10.278
Small business investment	.491	.209	5.553	1	.018	1.635
Invest in durable goods	.403	.118	11.782	1	.001	1.497
Prior knowledge of finances	.047	.011	17.788	1	.000	1.048
Constant	-5.055	.297	289.015	1	.000	.006

Source: data compiled by author based on pilot financial literacy project in Moldova at five banks in 20 branches in the country.

Financial literacy can also be implemented on both sides among senders of remittances providing basic education on financial issues but also on remittance literacy.

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Appendix – Survey results tabulated

Ghanaian Remittance Senders

Survey Response Data

To what city or town do you send the remittance?

City	%
Accra	43.0
Kumasi	37.0
Tema	3.3
Kwahu South	2.4
Amansie	1.8
Other	12.5

Province	%
Greater Accra	48.8
Ashanti	42.1
Eastern Region	5.2
Brong Ahafo	1.2
Northern Region	1.2
Western Region	1.2
Cape Coast	0.3

How much money - on average - do you send to your home country each time?

	Euros
Mean	260.85
Median	200

How many times per year do you send money to your home country?

	Amount
Mean	8.73
Median	10

Which is your preferred money transfer agency?

Method	%
Unity Money Transfer	41.5
Western Union	35.2
Moneytrans	9.1
Friends	5.8
MoneyGram	3.9
Private	3.9
Money Link	0.6

Why? (Top 10 Reasons)

Reason	%
Reliable	70.3
Fast	12.1
Good services	9.4
Safe	1.8
Trustworthy	1.5
Fast & simple	0.9
Fast & availability	0.6
Fast & reliable	0.6
Good people	0.6
Safe & reliable	0.6

What is your level of satisfaction with that company?

	%
Very satisfied	46.7
Satisfied	48.5
Slightly satisfied	3.3
Don't know/NR	1.5
Total	100.0

Do you use any other service(s), other than remittances?

	%
No	91.8
Yes	8.2

To whom do you send the remittance principally?

Person	%
Mother/father	45.8
Children	30.3
Husband/wife	21.2
Grandparents	2.7
Total	100.0

What do you think about the cost of sending money?

	%
Higher	59.1
Fair	40.9

Use of Remittances:

	%
Food	87.6
Education	62.1
Housing	50.6
Clothing	40.9
Business	32.1
Savings	3.6

How many years have you been sending money to Ghana?

	%
Between one and three years	8.5
Between four and six years	28.5
Between seven and nine years	20.6
Between ten and twelve years	23.0
Between thirteen and fifteen years	8.8
Over fifteen years	7.9
Does not know	2.7
Total	100.0

What is the principal reason of sending money?

	%
To help take care of basic family needs	89.4
To help with emergency expenses	5.5
So that the family can enjoy nice things	2.7
To cover incurred debts	2.4
Total	100.0

How often do you travel to Ghana?

	%
Twice a year	7.0
Once a year	17.9
Once every two years	22.1
Once every three years	25.8
I travel very rarely	18.2
I've never traveled	9.1
Total	100.0

How long do you stay in Ghana?

	%
Less than three weeks	11.2
Less than two months	50.6
More than two months	28.5
Unknown/NR	9.7
Total	100.0

How much do you spend usually on airfares to travel to Ghana?

	Euros
Mean	934.97
Median	900.00

Where do you buy them?

	%
Travel agency	37.9
Royal Africa Travel	33.9
Holga Travels	7.9
KLM agent	5.2
Internet	4.8
Trans Africa Travel	1.2
NR	9.1
Total	100.0

How much money do you spend during your stay in Ghana (excl. gifts)?

	%
\$1,000 or less	10.6
Between \$1,000 and \$3,000	44.5
More than \$3,000	29.1
Unknown/NR	15.8
Total	100.0

How often do you call you family?

	%
Two or more times a week	36.4
Once a week	15.5
Once every two weeks	28.2
Once a month	16.7
I call very little	3.3
Total	100.0

What is the average length of the call in minutes?

	%
Less than five minutes	7.0
Between six and ten minutes	14.2
Between eleven and twenty minutes	26.7
Between twenty and thirty minutes	23.9
More than thirty minutes	28.2
Total	100.0

Do you buy products made in Ghana?

	%
Yes	79.1
No	20.9

What kind of products do you buy?

	%
Food	61.8
Clothes	9.7
Food & clothes	7.6
NR	20.9

In Ghana, do you....

	%
Keep small family or commercial business	37.6
Have a savings account in a bank in Ghana	23.3
Loan money to family for small investments	11.2
Have a mortgage loan (to pay property, house or construction)	10.9
Have a pension plan	9.4
Has a loan to maintain business	3.3
Has a student loan	1.8

Beyond remittances, do you help your family with economic obligations?

	%
Yes	81.5
No	18.5

How?

	%
Loans money to family for other investment related expenses (house repair, car purchase..)	37.9
Payment of real estate loan (property, house, or construction)	20.9
Payment of student loan	20.6
Help with pension plan	10.6
Payment of loan to maintain business	6.1

Banking***Do you have a bank account (not savings) in the Netherlands?***

	%
Yes	80.6
No	19.4

What bank?

Bank	%
Postbank	38.2
Abn Amro	19.1
Rabo Bank	12.7
Fortis Bank	8.2
Other	2.4
NR	19.4
Total	100.0

Why do you not have a bank account?

Reason	%
I don't have papers for the bank	93.8
I don't need a bank account	6.3

Do you have a credit and/or debit card?

	%
Has a credit card	17.3
Has both of them	7.9
Has a debit card	6.7
Does not have	68.2
Total	100.0

How much do you spend approximately on the credit card each month?

	Euros
Mean	285.71
Median	250.00

Loans

	%
House payment Loan	20.9
Business Loan	6.1
Education Loan	6.1
Does not have/NR	61.8

Do you support or contribute to hometown association or clubs that help Ghana?

	%
Yes	52.4
No	47.6

Demographics

Annual Personal Income (range)

	%
Less than 10,000	20.6
Between 10,000 and 15,500	46.4
Between 15,001 and 20,000	23.3
Between 20,001 and 25,000	2.7
Between 25,001 and 30,000	2.1
Between 30,001 and 35,000	3.0
Over 35,000	1.8
Total	100.0

Annual Household Income (range)

	%
Less than 10,000	17.3

Between 10,001 and 15,000	35.5
Between 15,001 and 20,000	17.6
Between 20,001 and 25,000	5.8
Between 25,000 and 30,000	3.3
Between 30,001 and 35,000	3.0
Over 35,000	4.2
NA	13.3
Total	100.0

How do you save or invest?

Method	%
Put it aside	38.5
Work extra hours to earn more money	13.0
Bank or post office savings account	10.0
I buy durable goods, such as cars, homes or other items	7.9
Invest in a business	7.3
Other	7.2
Don't know/No reponse	22.4

What do you use your savings for?

	%
In case of illness	38.8
For my children's or my own education	30.9
For my retirement	30.9
To invest in a small business	26.4
In the case of death in the family	25.2
For home improvements	13
Religious Celebrations	11.5
Funeral Expenses	10.3
Other	28.6
Don't know/No response	25.8

If there is an emergency-e.g. accident, death, illness- and you do not have (sufficient) savings to provide the funds for these crises, how do you try to solve these financial emergencies?

	%
A family member working in another country	37.9
A family member here in the Netherlands	18.2
The bank	42.1
Community members	4.8
A lender	10.3
Don't know/No response	3.0

Do you use ATM's?

	%
Yes	80.6
No	19.4

What are your financial obligations? (Top 10)

	%
Donations to religious or community groups	69.7
Support family members not in household	34.8
Funeral insurance/funeral fund	25.2
Have life or health insurance	19.1
Pay for funeral insurance	18.8
Pay for life insurance	16.1
Contribution to mutual aid society	14.5
Have a savings account in a bank, Post office, or other savings sources	14.2
Paying off household goods	9.7
Have loan to maintain a business	8.2

Do you save or invest in any way?

	%
Yes	58.2
No	37.6

To whom are the obligations?

	%
Insurance Company	37.9
Family Member	36.4
Bank	23.0
Credit Union	13.9
Local Lender	7.3
Private Lender	0.3

Are you a Dutch Citizen?

	%
Yes	28.2
No	71.8

Where do you live in Holland?

	%
Amsterdam	40.9
The Hague	29.7
Rotterdam	21.8
Delft	5.2
Almere	2.4

How old are you?

	Amount
Mean	40.15
Median	40.00

Gender:

	%
Male	57.3
Female	42.7

How many people live in your home?

	%
1	10.6
2	39.4
3	33.6
4	14.5
5	1.8

How long have you lived in the Netherlands?

	%
Between one and three years	10
Between four and six years	19
Between seven and nine years	14
Between ten and twelve years	25
Between thirteen and fifteen years	12
Over fifteen years	19
Does not known/NA	0.3

Education

Level	%
College	30.0
Some college	27.9
High school	25.8
Primary	12.4
Does not finish primary	3.9
Total	100.0

Do you possess a...

	%
Passport	97.3
Social security number (SOFI)	68.2
Driver's license	38.5
Savings account card/book	35.2
Company/work ID	32.1
School ID	20.0