The Role of the Diaspora in the Socio-Economic Development of Ghana

By

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JULY, 2013
DECLARATION

I, Innocent Badasu, hereby declare that this dissertation, of which no part has been submitted anywhere else for any other purpose, except for where duly acknowledged, is the result of original work conducted by me under the supervision of Dr. A.D. Laryea.

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Date
DEDICATION

This work is dedicated to God and country and all who aspire to make our world a better place for humanity, especially Malala Yousafzai of Pakistan who is doing her part.
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ABSTRACT

Globalization has played a key role in the increasing number of international migrants across the world. These migrants, over the last two decades, have been seen as crucial development agents in both their origin and host countries. Global efforts are being intensified at both bilateral and multilateral levels to harness the development potential of members of the diaspora. This study examines the role of the diaspora in the socio-economic development of Ghana and argues that the Ghanaian diaspora is strategically placed in host countries to contribute towards the development of Ghana. Using a qualitative research method and employing unstructured interviews, this study finds that the diaspora has assumed significance in development debates and public discourse in Ghana. However, efforts by government to engage the diaspora for development have not been followed by formulation and implementation of appropriate policies and strategies. There appears to be an unspoken mistrust between the intentions of government and the members of the Ghanaian diaspora. This development has resulted in low participation of the diaspora in national development. Diaspora members have a commitment towards the development of their country. For effective engagement of the diaspora to take place, diaspora members must be involved in national action plans and development initiatives that seek to reduce poverty and stimulate sustainable socio-economic development. The central argument in this study is that demonstrable government commitment and appropriate strategies will create the necessary conditions for effective participation of the diaspora in national development.
CHAPTER ONE

RESEARCH DESIGN

1.0 Introduction

Africans in the diaspora continue to play a critical role in the transformation of the continent since the period of colonization. The rise of Pan Africanism, a Diasporan initiative is eloquent testimony to this fact. The aim was to unite all Africans, both home and abroad, irrespective of geographical boundaries around the common objective of liberating the continent from subjugation and providing the required leadership for accelerated socio-economic development of the continent. Despite the active involvement of Africans in the diaspora in the liberation struggle of the continent, the African diaspora remains yet another untapped resource for accelerated socio-economic development.

It is estimated that about 300 million Africans are in the diaspora (Gordon, 2011). The trans-Atlantic slave trade and colonialism have contributed to the force of migration of Africans into the diaspora; however, a voluntary migration of Africans continues to occur in post-independent Africa due to social, economic, and political crises that confront the continent (Kleist, 2011; Manuh et al., 2005). Globalization has also played a critical role in the significant increase in the number of Africans in the diaspora.

In Ghana, the diaspora has received recognition in the development debates due to their potential in supporting the efforts of government in poverty alleviation and socio-economic development (National Development Planning Committee, 2005). In addition, the inaugural speech of President John Agyekum Kufuor in 2001 clearly demonstrates the significance of the diaspora in the development of Ghana.
“I must acknowledge the contributions made by our compatriots who live outside the country (Diaspora)…You contribute a third of the capital inflow into the country. Those of you who have made homes beyond our shores, I make a special appeal for your help; we need your newly acquired skills and contacts, we need your perspective and we need your capital” (President John Agyekum Kufuor, 2001).

This recognition has led to a number of policy initiatives, such as Panafest during President Rawlings era, the Joseph Project and the establishment of the Non-Resident Ghanaian Secretariat, to fully tap into the skills, knowledge, and capital of Ghanaians abroad for the development of the country (Manuh et al, 2005). The Kufuor led government also embarked upon a number of foreign visits in order to persuade Ghanaians abroad to return home and invest for the accelerated development of the country. To achieve this, the government created a considerably friendly atmosphere for private sector participation in the governance of the country. Statistically, there are 1.5 – 3 million Ghanaians abroad (International Organization for Migration, 2009).

There have been several attempts to create formal channels and procedures for Ghanaians in the diaspora to send remittances to their friends, relatives and also towards developmental projects in their hometowns. Estimates by the Bank of Ghana reveal an amount of about $4.25 billion were received as remittances in 2006 rising to $6.89 billion by 2007 (Gyimah-Brempong & Asiedu, 2009). Also, according to the balance of payment estimates of Bank of Ghana in 2011, an amount of $2.6 billion were received as remittances. These cash flows into the economy indicate the growing awareness that the diaspora can contribute in several important ways to the socio-economic development of Ghana. Although, the diaspora is a broad concept and has several meanings, the use of the term in this dissertation applies to Ghanaians living abroad.
1.1 Problem Statement

The diaspora, over the years, have made some effort in accelerating the socio-economic development agenda of the country. They do this through voluntary visits, sending of remittances and also contributing towards social projects. However, government has not been able to realize their objective of fully tapping into the valuable resources of the diaspora. There exist conflicting data on the number of Ghanaians abroad. This makes it difficult for proper national planning, budgeting, and involvement of the diaspora in such plans. This phenomenon is aggravated by failed government policies towards Ghanaians abroad (Kleist, 2011; Manuh et al., 2005).

Despite the recognition of the diaspora as a potential resource for national development, there is a lack of clear-cut policy direction in engaging the diaspora. In addition, there is no proper coordination of existing policies and institutional deficiencies which make it difficult to tap into the knowledge, skills and capital of Ghanaians abroad. The lack of effective implementation of appropriate policies has led to low participation of the diaspora in national development. It is therefore the pre-occupation of the researcher to investigate into the aforementioned problem in order to formulate ways by which the Diaspora can contribute effectively to development in Ghana.

1.2 Research Objectives

The overall objective of this study is to highlight the role of the diaspora in the socio-economic development of Ghana. The specific objectives are as follows:

- To find out the conditions that enable the return of Ghanaians abroad;
- To examine existing policies of the Ghanaian government towards the diaspora;
• To illustrate how the diaspora contributes to national development;
• To identify and share lessons and best practices from other countries in managing their diaspora.

1.3 The Scope of the Study
This study covers the linkage between international migration and development, contribution of Ghanaians abroad to development in Ghana and the examination of existing policies toward the diaspora. The focus will be on the 1990 to 2012.

1.4 Rationale
The researcher intends to look at the critical role of the diaspora in the socio-economic development of Ghana, prospects for policy formulation and implementation and the challenges towards such policies. It is also the hope of the researcher to provide recommendations that seek to address the gap between existing policies and their implementation. This dissertation will enrich the existing literature on international migration and development, demonstrate how appropriate policy implementation can enhance the diaspora participation in national development, which has been neglected in the literature.

1.5 Hypothesis
The absence of effective policy implementation has accounted for the low participation of Ghanaians abroad in the socio-economic development of the country.

1.6 Conceptual Framework
The conceptual underpinning of this research is globalization. Our world today is increasingly becoming more interconnected. Globalization is a process of international integration, arising from the interchange of ideas, world-views, products and culture. It is
associated with the processes that promote world-wide exchanges of national resources. These include advancements in communication and telecommunication infrastructure that generate economic interdependence.

According to Anthony Giddens, globalization “is the intensification of world-wide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa” (1990). The International Monetary Fund (IMF) outlines four features of globalization: trade and transactions; capital and investment movements; migration; and the dissemination of knowledge (2000). Migration is a prominent feature of globalization. Usually people migrate to advanced countries, which is a potential means for skills to be transferred back to developing countries. This may also lead to transfer of technology, which is required for development in most developing countries.

Critics of globalization, such as Immanuel Wallerstein, in an attempt to explain the dynamics of the world economy and the existence of a world-wide, uneven development, contest that the world system contains a core, a periphery, and a semi-periphery (in Viotti and Kauppi, 1998). The core, historically, have engaged in the most advanced economic activities; the periphery has provided raw materials and are denied advanced technologies in those areas which might allow them to develop. In his view, the semi-periphery serves as an outlet for investment when wages in the core economies become too high.

This mechanism of domination leads to exploitation and the establishment of links among the elites of the core and the elites of the periphery. This brings about inequality among regions and underdevelopment in some countries of the world. Within the context of Wallerstein’s world systems, the understanding is that Ghana is a peripheral country through its provision
of raw materials for the world economy. Consequently, the issues of the role of the diaspora in the socio-economic development of Ghana will be discussed within the context of globalization and the world system.

1.7 Literature Review

International migration and its implications for the development of countries are not new in the literature. An analysis of relevant works demonstrates that many authors such as Takyiwaa Manuh, Kofi Konadu Apraku, Peter Quartey, and Savina Ammassari have explored how Africans, and for that matter Ghanaians, have created diaspora communities around the world (Manuh, 2006; Apraku, 1991; Quartey, 2006; Ammassari, 2009). This movement of individuals has been perpetuated by a variety of economic, social and political factors.

Whatever the strengths of the literature, there exists a gap in research related to how migration can be utilized for the benefit of the socio-economic development of countries. However, it is important to study what information exists, in order to build appropriate strategies for benefiting from migration. International migration of Ghanaians to other African countries, Europe and North America and presently to Asia and the Middle-East, goes back a long way.

According to Anarfi et al (2003) there are four distinct phases of international migration in Ghana. These are 1) Period of Minimal Emigration, 2) Period of Initial Emigration 3) Period of Large Scale Emigration 4) Period of Intensification and the Diasporization of Ghanaians.
Period of Minimal Emigration:
This period spans from the pre-colonial era until the late 1960’s when there was a relative economic prosperity. Ghana became a destination of choice for other West African citizens because of the extraction of the mineral resources and the production of cocoa, which requires labour. During this period, they argue that Ghana at the time was a net immigration and emigration was mainly limited to education, and training of professionals and foreign-service officers. The initial emigration begun after 1965 due to the slow growth of the economy that led to rising unemployment and balance of payment deficits (see Awusabo-Asare et al, 2000).

Period of Initial Emigration:
This refers to the 1970’s to the 80’s. A decade when Ghana was experiencing economic decline leading to political instability. The period under review was characterized by mass exodus and migration of Ghanaian professionals to countries like Nigeria, Botswana and Zambia where their services were in high demand. It was within this period that Nigeria was experiencing an oil boom, making it attractive for migrants.

Phase of Large Scale Emigration:
The 1980’s and the 1990’s became a period where international migration in Ghana was a response to the deteriorating economic situation coupled with the introduction of the structural adjustment programs and the economic recovery program with their attendant social pressures such as privatization of state owned enterprises leading to labour redundancy, low wages, shortage of basic goods and services. Migration, therefore, became a survival or coping mechanism and strategy for both individuals and families and communities at large. Apart from labour migrants, some Ghanaians also fled the country due
to the unfavourable political climate at the time, which led to the persecution of political opponents, confiscation of property, imprisonment without trials and executions (Quartey, 2009). A study by Bump (2006) indicates that the UNHCR registered about 90,000 Ghanaian asylum applicants, which made Ghana a country of forced migration at the time.

Period of Intensification and the Diasporization of Ghanaians:

This era witnessed an increased migration of Ghanaians into Europe and the North America as the final destination point.

These four distinct phases identified by Anarfi et al (2003) are important because they provide the historical evolution of the Ghanaian diaspora, how the diaspora was formed and the prevailing social, political and economic conditions under which people leave the country to other destinations. Their work also provides more insight into how Ghanaians migrate to neighbouring West African countries due to the 1979 ECOWAS Protocol on Free Movement of Goods, Services and Persons and subsequently moving to final destinations such as Europe and the North America. The challenge, however, is the assertion by Bump (2006) that Ghana was a country of forced migration and that about 90,000 Ghanaians were registered as refugees and asylum seekers between the period of 1981 to 1991. What he fails to recognize in his study is that not all the applicants may have been genuine asylum seekers due to political persecution but may have been employing a creative means in getting to their destination. The above four phases by Anarfi et al (2003) also fails to identify external factors that make Ghanaians migrate abroad and largely attribute the exit to internal factors and no mention of the wave of globalization in their study.

Takyiwaa Manuh in her book “An 11th Region of Ghana?: Ghanaians Abroad” contends that the emergence of communication facilities has linked distant relatives together. A one face of
globalization that involves cross border trade and investment, cultural products, ideas and
people and the building up of transnational networks. This affects both individual behavior
and institutions (Manuh, 2006). According to her, international migration constitutes a
dynamic feature within globalization as well as a major source of global change.

In furtherance to her argument, Manuh (2006) posits, that multinational corporations
(MNC’s) and non-governmental organizations (NGO’s) have become instrumental in the
recruitment of international migrants. In her view, the ‘new world’ migrants are venturing
into, is not completely new, because the migrants have historical ties through slavery and
colonization. As such, when migrants are pulled abroad by MNC’s and NGO’s, they are not
being brought to a new world as perceived. This view reaffirms the first two phases of Anarfi
et al (2003) as indicated above.

Globalization has heightened the inequalities that exist in different societies and this is a
major determinant for international migration. Manuh (2006) asserts that the relative success
stories of migrant returnees has increased the desire of Ghanaians to migrate abroad; however, many of such migrants come to face the reality of globalization and its implications
for their aspirations of wealth accumulation and success (Manuh, 2006). While success
stories portray the idea that migration results in success, this is not always the case, and
migrants are often faced with a harsh reality upon arrival in the host country.

Manuh (2006) recognizes that migration is a ‘privatized’ investment scheme, which makes it
possible for Ghanaians to acquire and supply the necessary capital for national regeneration.
According to the author, there are three stages of the migration process and these are
recruitment stage, remittances and finally return of the migrant. She emphasized, that it is
only by returning home through visits, investment, and remittances that the promise of the migration process can be fulfilled.

In an earlier study, Castles & Miller (2003) argue, that international movement is reshaping politics and identities of people and societies. Their study provides five elements of change that are likely to play a major role, among which are: i) the globalization of migration, that is the tendency for countries to be concerned by the crucial effects of migratory movements; ii) the growing politicization of migration where national policies, internal politics, bilateral relations, multilateral and regional agreements around the world are largely affected by international migration; iii) the differentiation of migration, that is countries will be affected by different types of movement such as labour migration, permanent settlement and refugee movements; and, iv) the rapid growth of migration resulting into large volumes of international movement of people in all regions of the world (Castles & Miller, 2003). Today the diaspora has received a lot of attention because of its significance in policy decisions of governments.

Savinna Ammassari in her book “Migration and Development: Factoring Return into the Equation” (2009), contends, that the return of a highly skilled diaspora or international migrants has the potential of positively impacting on the socio-economic development of the home country. She argues that the elite migrants or the highly skilled diaspora “have a greater propensity” to ensure effective change and the transformation required for sustained socio-economic development because of their educational level, networks at home and abroad, and the technical and financial resources available to them (2009). In her view, these returnees have the capacity and the means to occupy high profile positions in the public or private sectors where they can initiate measures that will bring about changes leading to development (Ammassari, 2009). Her research also distinguished between the average diaspora and the
The elite diaspora and asserted, that the elite migrants are more likely to be change agents due to their wealth and level of education and, by that, are more prone to access positions in the host country that will allow them to acquire additional knowledge, skills and relevant work experience which the average migrant may not be able to do. The return of the elite diaspora suggests that these added values will be made available in the home country which is critical because they play a critical role in the cultural, social, economic and political development of the home country (Ammassari, 2009; Lowell, 2004).

The challenge, however, is not to undermine the critical role that the average diaspora plays in socio-economic development through sending of remittances and the entrepreneurial skills that they acquire. These contributions are equally important to developing countries like Ghana. The studies by Ammassari (2009) and Lowell (2004), amongst other works, over concentrate on the elite diaspora and underestimate the important role of the average migrants.

Return of the elite is sometimes difficult because of their attachment and commitment to the host country. Combined with the challenges of readjustment and reintegration into the home country, it is not always easy to encourage migrants, particularly the elites, to return. Ammassari (2009) & Lowell (2004) conclude that employment prospects, improved investment climates and appropriate government policies directed towards the diaspora are necessary conditions for the return of the elite diaspora.

What Ammassari (2009) NS Lowell (2004) have not taken into consideration are the various programs and policies aimed at encouraging the return of elite migrants, such as the Transfer of Knowledge Through Expatriate Nationals (TOKTEN) and Migration for Development in Africa (MIDA) which yielded some results, especially in Africa (Mulloy, 2010: Koehn, 1994). While these programmes encourage the return of migrants for skill-
building and investment, there is also some mention of doing so using inter-continental communication mechanisms. Emphasis on physical return without creating the space for virtual return as well, may lead to inappropriate policy decisions by stakeholders and governments. Ammassari (2009) and Lowell (2004) have been misled by the relative success story of elite returnees in India, China, Korea and the Philippines where these countries have adopted appropriate policies to foster research and development coupled with their attractive infrastructure. There is little mention of the use of technology to ensure virtual return to enhance and maximize the contribution of the elite who may be unwilling to permanently return.

ICTs can play a significant role in facilitating the inclusion of the diaspora in national development, without the migrants being required to return to their home countries. Joseph Gueron & Spevacek (2008) argue that

Harnessing the potential of the diaspora is especially vital. [In particular,] ICTs are instrumental in providing opportunities for migrants to become involved in the development process of their countries of origin. They help migrants to develop common agendas and identities, even across large geographical distances, and thereby contribute to the formation of strong and active diaspora. Subsequently, migrants are now in a better position to become involved in the development process of their countries of origin than ever before.

Gueron & Spevacek (2008) explain that there are a myriad of Information and Communication Technology (ICT) tools available such as the internet, mobile phones and computers which may serve as an organic means by which the diaspora can make substantial contributions to the homeland. They assert that ICT can bring efficient and robust private-public partnership that facilitates a productive and development linkage between the diaspora and the home country (Gueron & Spevacek, 2008). According to them, extensive use of ICT is a means of mobilizing the dispersed diaspora and helps them lead the way in advancing the development of the homeland through the transfer of technology and other skills (Gueron &
Spevacek, 2008).

It is also recognized that the use of ICT by the diaspora, is helping to bridge the digital divide between the advanced countries and the developing world, largely in the global south (Gueron & Spevacek, 2008). Gueron and Spevacek (2008) were apt in their study elaborating on the role of ICT in engaging the diaspora, that in their view, they see as an “engine of development” (2008). However one major difficulty in employing this strategy is the huge and massive deficit that exist in ICT infrastructure in developing countries like Ghana, coupled with limited bandwidths. But again, employing tools of technology will reduce the cost of sending remittances, which constitutes a major source of foreign exchange reserves for most developing countries.

Peter Quartey (2006) in his work “The Impact of Migrant Remittances on Household Welfare in Ghana”, demonstrates the positive linkage between remittances and poverty reduction in Ghana. He asserts that remittances serve as a source of income for both poor and non-poor households and concludes that remittances from abroad are crucial for the survival of most communities in the developing world (Quartey, 2006: see Blankson, 2004 cited in Page & Sonia, 2005). Remittances are used for investment purposes such as education and small-scale enterprise, after satisfying subsistence needs which will lead to economic growth and the overall development of the economy (Quartey, 2006: De Haas, 2007). In his view, it reduces economic vulnerability at the household and community levels, and at the national level remittances constitutes a major source of foreign reserve for developing countries (De Haas, 2007). Remittances in recent years have exceeded the total amount of official development assistance to Ghana which means, increasingly, it is becoming a significant
source of financial resources which needs to be mobilized through well coordinated policies for financing development projects.

The above view is corroborated by a study conducted by Adams & Page (2003) where they assert that “international migration has a strong, positive effect on poverty reduction and conclude that on average, a 10% increase in the share of international migrants in a country’s population will lead to a 1.9% decline in the share of people living in poverty. Thus, international remittances strongly affect poverty and they tend to minimize the negative effects of economic shocks in an economy” (cited in Quartey, 2006, p.7). The challenge is that despite the positive impacts of remittances it also results in income inequality between migrant and non-migrant families that need to be addressed through an appropriate policy framework.

Kofi Konadu Apraku in his book “African Émigrés in the United States: A Missing Link in Africa’s Social and Economic Development” contends that leaders on the continent must mobilize all resources, including the diaspora, towards the development of the continent. He asserts that there are a lot of well-trained Africans in the United States whose skills and experience abroad are indispensable and highly crucial for the prosperity of the home country. He confirms that these Africans in the diaspora are willing to return if leaders of the African continent are able to undertake the necessary political, social, and economic reforms to make their return viable (Apraku, 1991). His work raises fundamental questions that must be addressed. Who are these well-trained Africans in the diaspora? Why did they leave the continent? What specific role can they play in the development of the continent and what specific reforms are they expecting to return home? Finally, how have African governments responded to the diaspora? Apraku’s work, in some sense, is too generalized, especially
where he maintains that “throughout Africa, institutions and projects are languishing or inoperable due to lack of well trained personnel to run them” (p.xx) This view is not entirely accurate looking at the current situation when the local economy cannot absorb some well experienced and qualified persons (Republic of Ghana, 2012; Koehn 1994). Unemployment remains a critical issue in many African countries. In Ghana, despite the progress made in economic growth, the lack of structural transformation of the economy has accounted for inadequate employment opportunities (Republic of Ghana, 2012)

In sum, a critical investigation into the available literature gives credence to the fact that the diaspora can effectively contribute towards national development. This calls for necessary political reforms and appropriate strategies to enhance the participation of the Ghanaian diaspora in the socio-economic development of the country. Also whilst other countries such as Mexico, India, Philippine and Israel are significantly benefitting from the return of their diaspora, Ghana is yet to provide adequate measures that will ensure effective engagement with the diaspora (Agunias, 2009). The Philippines for example has a number of diaspora institutions at the national level (Agunias, 2009). The literature also suggests the close link between development and international migration to the extent that it has become a survival strategy for people in poor regions of the World. The various works reviewed complement each other. Whiles Quartey (2006) over concentrates on remittances and approach the role of the diaspora from purely economistic perspective. Ammassari (2009) looks at the non-material aspect of the diaspora in the area of skills transfer to improve on the knowledge production capacity of Ghana. Gueron and Spevacek (2008) provide extensive and useful means of engaging technological tools to overcome the challenge of physical return which is common among the elite migrants. The present study seeks to demonstrate how effective policy implementation can enhance the contribution of the diaspora, which have not been captured by earlier works in the field. The importance of the selected literature, which has
been extensively reviewed, is to form the basis for which this study will explore areas ignored by other writers and scholars on diaspora issues and use a more robust methodology to investigate into the nuances of the diaspora and its capacity to contribute to sustainable development.

1.8 Methodology

This study is mainly a qualitative research. It was conducted using both primary and secondary sources of data. Primary data was obtained through unstructured interviews. This took the form of conversation using Skype and Vidyo Mobile to connect with some members of the diaspora for information. The unstructured interview provided the opportunity for unanticipated findings and allowed the interviewee to highlight other relevant areas on the topic. The researcher interviewed expert and professional Ghanaians living in the USA, Canada, Italy, returnees and 30 selected Ghanaians in the UK. The researcher relied on known friends in the diaspora to arrange for the interviews. Secondary data was obtained through books and journal articles. The limitation of this study is the inability of the researcher to engage Ghanaians living abroad in developing countries like Brazil, South Africa and China to get their perspective on how they can contribute to national development. This is as a result of the fact that the selected developed countries in this dissertation constitute the major destinations for Ghanaian migrants.

1.9 Arrangement of Chapters

The work consists of four chapters. Chapter one is the research design, chapter two deals with international migration and development and the brain drain debate. Chapter three deals with the contribution of Ghanaians abroad and examines existing national policies and their implementation towards the diaspora. Finally, Chapter four is the summary of findings, conclusions and recommendations.
References


CHAPTER TWO
THEORETICAL PERSPECTIVES ON INTERNATIONAL MIGRATION AND
DEVELOPMENT AND THE BRAIN DRAIN DEBATE

2.0 Introduction

“The role of the diaspora in development, especially in areas of real poverty reduction, health care, education and sustained economic growth, has attracted the interest of policymakers, governments, and international organizations” (Ionescu, 2006). The increasing awareness of the diaspora in the development of developing countries has led to a number of global initiatives and responses in order to realize the full benefits of international migration. These global responses include the High Level Dialogue of the United Nations General Assembly on International Migration and Development in September 2006 (Annan, 2006) and also the Global Commission on International Migration, an independent body set up by a number of governments to design a framework for the formulation of a coherent and comprehensive global responses to issues raised by international migration (United Nations, 2006). Regional and sub-regional responses, such as the Migration Dialogue for West Africa and Migration Dialogue for Southern Africa are worth mentioning.

The overall development potential of the diaspora manifests in business creation, trade links, skills transfer or circulation, investments, remittances and the exchange of experiences. The success story of countries like China, India, and the Philippines in harnessing the resources of their diaspora has increased the interest of governments in enhancing policy options to benefit from their diasporas (Newland, 2004). The overseas Chinese have accounted for nearly 70 percent of China’s Foreign Direct Investment (FDI), helping to facilitate the rapid economic growth of China (see Lowell, 2004). The growth and expansion of the information technology sector of India has been attributed to the role of members of the Indian diaspora,
especially the elite who have held senior positions in American companies (Sward, 2009). This further explains the linkage between international migration and development and, to a large extent, settles the brain drain debate and redirect effort towards creating awareness on brain gain from the members of the diaspora. However, another difficulty with developing countries is what or who constitutes their diaspora - this leads to definitional issues to be addressed in this research.

2.1 Historical evolution of the Diaspora

In the past decades, the term diaspora has been employed to refer to small historical groups, among which include the Jews, Greek and the Amenians (Bakewell, 2008). It had a specific meaning that explained the traumatic exile and the dispersion of the Jews from their ancestral homeland to other parts of the globe (Safran, 1991; Akyeampong, 2000). From the 1960’s, increasingly, the term expanded to include other groups who are scattered across the world like the Indians, Cubans, Palestinians and the Chinese (Safran, 1991). The period equally saw the application of the term to the African descendants in Europe and other Western countries due to the Trans-Atlantic slave trade and colonialism (Alpers, 2001). According to Edward Alpers, the term African Diaspora, was used first by George Shepperson in an International Congress of African History at the University of Dar es Salam, Tanzania in 1965 (Alpers, 2001). Today the term diaspora has undergone several significant changes and its application and interpretation are varied, increasingly being used to refer to “alien residents, expellees, refugees, asylum seekers, expatriates, immigrants, ethnic and racial minorities” (Akyeampong, 2000; Safran, 1991).
2.2 Defining the Diaspora

According to Walker Connor (1988) the term diaspora refer to the “segment of the population that is living outside the homeland.” William Safran (1991), however, suggests an extension of the concept to apply to “expatriate minority communities” whose members demonstrate the following six point characteristics:

1) they, or their ancestors, have been dispersed from a specific original "center" to two or more "peripheral," or foreign, regions; 2) they retain a collective memory, vision, or myth about their original homeland—its physical location, history, and achievements; 3) they believe that they are not—and perhaps cannot be—fully accepted by their host society and therefore feel partly alienated and insulated from it; 4) they regard their ancestral home-land as their true, ideal home and as the place to which they or their descendants would (or should) eventually return—when conditions are appropriate; 5) they believe that they should, collectively, be committed to the maintenance or restoration of their original homeland and to its safety and prosperity; and 6) they continue to relate, personally or vicariously, to that homeland in one way or another, and their ethno-communal consciousness and solidarity are importantly defined by the existence of such a relationship (Safran, 1991).

In the opinion of Safran (1991), which is reiterated by Akyeampong (2000), the Jewish experience illustrates the ideal type of diaspora, though other dispersions may also qualify to be designated as diaspora. It is important to recognize that the Jewish dispersion was historically unique phenomena that should not be the defining characteristics of other dispersions, the features may be exhibited by diaspora community at different periods or intensities. This suggests that a diaspora community does not need to exhibit all the six point criteria at the same time in order to qualify as a diaspora.

Another explanation, of the concept diaspora has been provided by James Clifford, which is an accessible definition of a diaspora. He refers to the diaspora as “[involving] dwelling, maintaining communities, having collective home away from home…Community consciousness and solidarity that maintain identification outside the national time/space in order to live inside with a difference” (Clifford cited in Akyeampong, 2000).
Cohen provides a more expansive set of criteria of a diaspora. He indicated that the features may vary between diasporas and for the same diaspora over time (Cohen, 2008; Bakewell, 2008).

The features are as follows:

1) Dispersal from an original homeland, often traumatically;
2) Alternatively, the expansion from a homeland in search of work, in pursuit of trade or to further colonial ambitions;
3) A collective memory and myth about the homeland;
4) An idealization of the supposed ancestral home;
5) A return movement or at least a continuing connection;
6) A strong ethnic group consciousness sustained over a long time;
7) A troubled relationship with host societies;
8) A sense of co-responsibility with co-ethnic members in other countries; and
9) The possibility of a distinctive creative, enriching life in tolerant host societies (Cohen, 2008: 161).

The search for simplicity and consistency prompted Bakewell (2008) to further compress the features enumerated by Cohen (2008). Bakewell suggests that a potential diaspora must satisfy four main sets of criteria before being placed within the diaspora circle. These include:

1) Movement from an original homeland to more than one country, either through dispersal (forced) or expansion (voluntary) in search of improved livelihoods;
2) A collective myth of an ideal ancestral home;
3) A strong ethnic group consciousness sustained over a long time, based on a shared history, culture and religion; and
4) A sustained network of social relationships with members of the group living in different countries of settlement. (Bakewell, 2008).

The significant role of the diaspora and its potential development effect has led the African Union (AU) to also adopt a working definition of the term ‘the African diaspora.’ To the AU, “The African Diaspora consists of peoples of African origin living outside the continent, irrespective of their citizenship and nationality, and who are willing to contribute to the development of the continent and the building of the African Union” (AU cited in Ionescu, 2006). The African Union’s definition raises a number of issues such as continental rather than a national belonging and the willingness to contribute towards the development of the
continent. Again, this definition is important as it provides the larger framework for African countries to define and map out strategies to enhance the contribution of the diaspora towards national development.

Building on the AU’s definition, Colin Palmer offers a very insightful definition of the modern African diaspora:

The modern African diaspora, at its core, consists of the millions of peoples of African descent living in various societies who are united by a past based significantly but not exclusively upon "racial" oppression and the struggles against it and who, despite the cultural variations and political and other divisions among them, share an emotional bond with one another and with their ancestral continent and who also, regardless of their location face broadly similar problems in constructing and realizing themselves (Palmer, 2000).

This definition rejects the idea of a sustained desire to return to the homeland by Africans in the diaspora although the desire to return was embraced by some people of African descent, as was explained in Marcus Garvey’s ‘back to Africa movement’ and the ideals of Pan-Africanism. Palmer contends that the appeal of the continent as a place to re-establish roots seems to have waned over time (Palmer, 2000).

Within the context of this research the Ghanaian diaspora refers to the segment of the Ghanaian population living abroad or outside the homeland. It includes first and second generations of Ghanaians abroad and any well-meaning Ghanaians abroad who demonstrate considerable commitment towards the socio-economic development of the country and exclude actors that may be opposite and whose activities may undermine the development interest of Ghana.

2.3 The Relationship Between Transnationalism and Diasporas

In the current period of globalization, Diasporas are seen as transnational actors due to
advancement in information and communication technology, which has facilitated travel and communication across borders and also the movement of capital, labour, goods and services beyond borders. Shuval (2000) expressed the relationships in terms of global financial, ecological, economic and technological interdependence leading to culture and knowledge flow across borders.

Diaspora is practically used to refer to that population which is considered transnational and whose socio-economic and political activities span across the globe. Transnationalism may be defined as a continuous cross border networks, patterns of exchange, associations and social formation spanning nation states. Globalization has created the space for migrant groups to live “here and there” (Mulloy, 2010).

Transnational experience affects both home and host countries of migrants. Despite some notable differences between transnationalism and diaspora, such as the former being broader than the latter, the two concepts have been used interchangeably in recent times. Any further attempt to separate the two terms is not sustainable as transnational practices are one of the defining features of diasporas (Bakewell, 2008). Undoubtedly, diasporas are creating this transnational trend which link families and being part of the social economic and political life of the ancestral homeland (Mulloy, 2010). This explains the fact that, transnational communities contribute to the development of the homeland and are more prepared to take advantage of globalization. Figure 1 further illustrates the relationship between diaspora, transnationalism and migrants.
From the above diagram, diaspora is a subset of transnationalism. It is also noteworthy to mention that, while transnationalism suggests the existence of nation states, diasporas may not necessarily be a product of state formation (Bauböck, 2010; Faist, 2010). The diagram above also points to the fact that not all migrants can be seen to be a diaspora or engaged in transnational networks. However, the diaspora community constitutes an integral part of transnational networks.

In this research the two concepts may be used interchangeably due to their overlapping and interconnectedness in the migration literature. Both concepts acknowledge that social processes are dispersed among multiple cultures and localities which transcend borders of nation-states (Bauböck, 2010; Faist, 2010). The remark by Tololian, “diaspora are the exemplary communities of the transnational moment,” further reaffirms an increasing blur between the two concepts and how they are often used interchangeably and as related terms (cited in Shuval, 2000). This means that the diaspora discourse reflects an ongoing process of transnational networks that involves an ancestral homeland (Shuval, 2000).
2.4 International Migration And Development

One visible sign of the process of globalization is the upsurge in migratory flows between and among countries, and continents. In today’s integrated world, despite significant restrictions people continue to move across borders seeking better opportunities on foreign lands (Alonso, 2011). The United Nations (UN) estimates that there are about 214 million international migrants as at the year 2010 (United Nations cited in Alonso, 2011). This corresponds to about 3.1% of the world population; however, this figure may be an underestimation of the migration phenomenon since undocumented migrants may not be adequately captured in the data.

International migration is a major force that shapes realities in the international system and provides migrants with enormous opportunities to progress. With such vast numbers of migrants, their potential contribution to their home state as well as the receiving state, is immense. International migration, when well regulated through appropriate policy mechanisms, can potentially improve on the well-being of the actors in the international economic system as evidenced in various empirical and theoretical studies. This requires a coherent policy response at both national and international levels to make migration beneficial to sending and receiving states.

2.4.1 Theoretical Perspectives On International Migration And Development

According to the neo-classical economic perspective people migrate because of wage differentials and lack of economic opportunities available to them at home. Within the context of the pull and push factors, people migrate to destination countries where there are better wages, and where there exists an appreciable level of economic opportunity. This movement makes labour more productive and a pre-requisite for economic growth as incomes increase (Todaro cited in De Haas, 2010). This perspective contends that the
development role of migration is through factor price equalization and sees migrants as utility maximizing individuals. The challenge, however, with the neoclassical view is how it disregards “market imperfections” and structural constraints in the form of inadequate capital, which is one of the problems of most developing countries (De Haas, 2010). Another weakness is how the neoclassical perspective assumes there are no restrictions on migration by government (De Haas, 2010).

The New Economics of Labour Migration has equally given an insightful view on international migration and development. According to this view migration is not entirely an individual decision but a household decision to diversify family income and to reduce any risk on the production activities of the family (De Hass, 2005; De Haas, 2010). This theory sees remittances as one of the most motivating factors for both migrants and households (World Migration Report, 2000). To them, migration is a “livelihood strategy” through which households improve on their economic conditions (De Haas, 2010). Despite some other pessimistic studies that prove to the contrary on the development nature of international migration, Taylor et al argued that such studies lack “deductive reasoning” and are full of “methodological deficiencies” and do not take into consideration how remittances influence the economic status of household and their communities at large (cited in De Haas, 2010). The argument for development is further strengthened in that under conducive economic policies and political environments, international migration will facilitate national development through entrepreneurship and social change as evidenced in some regions of the world (Agunias & Newland, 2012). The many national government and global policies to harness the development potential of the diaspora or international migrants discredits any pessimistic view about the development prospects of transnational migrants. Migrants contribute meaningfully to the social and economic development of their home countries therefore migration should be seen as part of development and also an “independent factor”
affecting development in both sending and receiving countries (De Haas, 2007; Skeldon, 2008).

Increasingly, remittances have assumed a centre stage in the literature on how the diaspora or transnational migrants contribute to development in the home country. Remittances are now seen as an effective means of income re-distribution and economic growth rather than development aid (Kapur, 2003 and Rather, 2003 cited in De Haas, 2010). This has led to a renewed hope and optimism among development policy makers, scholars and governments to see transnational migrants or diaspora as potential actors of development through skills transfer, investments and contacts abroad (De Haas, 2010).

2.5 The Brain Drain Debate And International Migration

The flight of human capital has been a source of worry to academics and development practitioners. The term brain drain refers to the “loss of highly skilled professionals from a source country to a recipient country” (Sako, 2002). Migrants leave one country to another due to attractive prevailing socio-economic conditions such as “differentials in living conditions, perceived opportunities for professional advancement and an environment that is conducive to peace and stability” (Sako, 2002).

The term ‘brain drain’ was originally applied to the emigration of scientists and engineers to the United States from countries like Britain, Canada and the former Soviet Union but presently applies largely to the “flight of highly skilled professionals and academics” from developing countries to more industrialized nations (Sako, 2002). The brain drain phenomenon is seen as a zero-sum game where the developed countries that receive the skilled migrants developed at the expense of the poor or developing countries. In all developing regions of the world, especially Africa, the brain drain factor presents a major
development setback in areas of skill development and capacity building, retention of skilled workers in key development sectors such as health and education and sustained economic growth. The phenomenon is predicted to undermine the expected gains from the implementation of the New Partnership for Africa’s Development (NEPAD) (Sako, 2002). The continuous loss of highly skilled professionals on the continent is attributed to “poor economic and political governance, inappropriate economic policies, lack of employment opportunities, repression of human rights and the absence of professional and technological environment for self-fulfillment” (Sako, 2002).

Even though several studies have highlighted the potential development effects of the diaspora and international migration, brain drain remains an issue that is hotly contested and debated upon several fora is the issue of brain drain. The argument is that the migration of highly skilled individuals constitutes a major drain on the development of poor or developing countries where it is assumed such skilled personnel are in limited supply. This could result into knowledge and capacity gaps creating the necessary conditions for inadequate qualified personnel to manage public policy and institutions mandated to provide socio-economic development. In Africa for example, the migration of skilled personnel has created a huge capacity gap in key sectors and as a consequence the continent spends about 35% of official development assistance in employing expatriates annually (AfDB, 2011).

There are several schools of thought on the analysis of the brain drain phenomenon but, for the purpose of this research, three of these perspectives will be briefly described. The first school of thought sees brain drain as inimical, harmful and dangerously detrimental to the economies of developing countries especially African economies. They argue that the phenomenon results in the exodus of the brightest minds. It leads to losses following the long period of educational and professional investments made on these people who migrate. It
means little or no gain to the country that has invested in a critical human resource needed for its economic development and social progress. Remittances are seen as part of the problem and not partly the solution, calling instead for restrictive policies and measures that will control human flight. The challenge, however, with this school of thought is how it fails to account for the personal financial investment that individuals make towards their education and training at home and looks solely at the national, or state, investment. As a result these scholars see migration as an issue of right rather than a moral argument. Individuals should be provided with every assistance to migrate and improve on their individual freedom and economic well – being since the “freedom of choice as to where to work and live is a good thing in itself” and development related (Easterly& Nyarko, 2007).

The second school of thought draws attention to the relative gains of migration in terms of remittances. These scholars justify their claim that remittances are a more stable private capital flow to the economies of developing countries. Remittances are seen as a suitable way of capital transfer to developing countries, rather than official development assistance to poor economies. Scholars of this school regard migrants as economic agents seeking to maximize income for their upward mobility in society, placing emphasis on individual or human development rather than a state led development that leads to corruption and bureaucratic inefficiency. They argue that if high skilled professionals do not migrate, their skills will be underutilized due to poor working conditions (Sako, 2002). The main challenge to this perspective is the unavailability of well - trained and qualified personnel to manage both state and private institutions for the transformation of developing states.

A third school of thought of brain drain, offers no benefit to African countries from the migration of highly skilled professionals and presents a dark picture of migration. This school contests that “African professionals have become victims of debased treatment as a result of
living outside the continent” (Sako, 2002). According to some authors, job seeking Africans often find themselves in poorly paid and unskilled jobs” that are unrelated to their educational and professional training which brings about brain waste. This point of view fails to provide further evidence in terms of country specific case studies to support their claim. Again it does not adequately present a balanced perspective on international migration in Africa looking and basing a whole theory on a few failed migrants.

The brain drain argument is gradually losing sympathy as a result of massive technological improvements and innovation leading to integration of world economies. Also, the brain drain analysis is “value-laden” and unsustainable in the long run because brain drain could be accompanied by valuable brain gain (De Haas, 2005: Lowell, 2004). The issue of unemployment, which confronts a number of developing countries reiterates the point that such unemployed highly educated individuals become productive in industrialized countries and acquire further knowledge and skill sets relevant to the development of the home country upon return. This can potentially result into the transfer of appropriate technology for industrial take off by developing states through diaspora networks which the advocates of the brain drain never refer to (Meyer, 2001). Economically, migration could bring about capital formation for investment in home countries and entrepreneurial skills and network required for the creation of jobs and the empowerment of the private sector as an engine of growth. For example in the year 2010, Africa as continent receive a total of US$40 billion as remittances contributing to about 2.5% of the continent’s gross domestic product, demonstrating that migration accrues significant financial benefits (AfDB, 2011).

Beyond remittances, highly educated migrants play effective roles in social and political debate, shaping public opinion and helping in building democracy through support for civil society organizations in home countries (De Haas, 2005). Within this context Bhagwati
argues that the brain drain approach should be abandoned and appropriate policies should be fashioned out by governments to encourage “brain gain” rather than denying individuals the right to migrate abroad (cited in De Haas, 2005). The developmental challenge of developing countries should not be entirely attributed to the migration of highly skilled individuals but should be seen as a reflection of a number of development factors or constraints that need to be addressed.

2.6 Conclusion

It is important to admit and recognize that international migration does not produce an automatic development. The development potential of international migrants or the diaspora can be exploited but within favourable political, legal, social and economic circumstances in sending states. International migration cannot be a panacea for factors that constrain development in home countries. These constraining factors may include a lack of trust and confidence in a regime and public institutions, poor legal security, lack of prudent macroeconomic management leading to unfavorable investment climate, corruption and bad governance. The brain drain phenomenon places responsibility on both sending and receiving states to devise appropriate policy responses in order to enhance migrants’ contribution towards development.
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CHAPTER THREE
CONTRIBUTION OF THE DIASPORA TO DEVELOPMENT AND THE EXAMINATION OF NATIONAL POLICIES TOWARDS THE DIASPORA

3.0 Introduction

The development potential of the diaspora, especially in the case of developing countries has been given special attention in recent times globally. A number of countries have instituted effective strategies in harnessing the benefits of their diaspora and also creating the necessary conditions and environment that will facilitate the full participation of the diaspora in socio-economic development. While some countries have successfully integrated their diaspora into both short term and long-term development plans, others are yet to make any meaningful progress in this regard.

In Ghana, despite the lack of an effective and comprehensive migration policy or a well-coordinated institutional mechanism to enhance the diaspora’s participation in national development, the 1994 Revised National Population Policy was one of the first policy documents to place migration at the center of Ghana’s development (Anarfi et al., 2003). The government in the policy gave a direction of adopting “fiscal and legislative policies” that will enhance the benefit the nation, communities and families derive from the periodic transfer of resources by the diaspora to Ghana (Ghana, 1994 cited in Anarfi et al., 2003).

The concept of socio-economic development is loaded, requiring definitions or explanations to fully appreciate its impetus. Several scholars, development practitioners and policy makers sometimes disagree about what exactly constitutes socio-economic development or development in general. However, according to the United Nations Development Program (UNDP) “human development is the end…and economic growth is the means” (UNDP,
This assertion places a premium on human development over all, meaning there is the need for a positive and a strong relationship between economic growth and human development. Economic growth increases the wealth of a nation which sometimes does not necessarily reflect in poverty reduction among the poor population of a country. Meaningful development must therefore encompass better standards of living for the people, access to education, health and the social protection for the most vulnerable in a given society.

This research will adopt a comprehensive definition of socio-economic development offered by Amartya Sen,. He defines development as the continuous process of expanding the “substantial freedom that people enjoy to lead the kind of live he or she has reason to value” (Sen, 1999). This definition is relevant because it explains poverty as not necessarily low income but the deprivation of basic capabilities for which “inadequate income is one of the major predisposing factors to poverty (Sen, 1999). Expenditure on education, health, recreational activities, food, housing should be regarded as developmental since such social investments by the diaspora or migrants enhance the “well-being and capabilities of people” (De Haas, 2010).

Currently, Ghana experiences high economic growth and single digit inflation. However, significant proportion of the population remain poor which requires proactive, strong state led development policies to address the challenge of poverty. This led to a number of policy initiatives such as the Ghana Poverty Reduction Strategy I & II, Ghana Shared Growth and Development Strategy where the diaspora has been identified as a resource for the country to tap into. A major challenge to Ghana’s socio-economic development is the inability to effectively engage the diaspora. This chapter therefore seeks to highlight the developmental role of the diaspora and to examine existing policies towards the diaspora.
3.1 Why Do Migrants Remit

Even though a number of reasons have been attributed to why migrants send money back home Black et al offer four main approaches or motives why migrants remit families back home (cited in Tiemoko, 2005). These include the altruistic motive, the self-interest motive, the loan repayment, and the co-insurance, both regarded as the family contract, explained below.

3.1.1 Altruistic Motive

This perspective may also be seen as the livelihood school of thought. It considers sending of remittances as an obligation on the part of the migrant to the household left behind in the home state. Naturally, successful members of a household financially support others who are less successful and this serves as a social net that protects the members of the household against risk and reduces the level of vulnerability. This viewpoint confirms the fact that migration is a livelihood strategy for households to diversify their income and protect themselves against any financial risk.

Since poverty is one of the reasons for migration, the sending of remittances demonstrates the migrant’s concern for the welfare of the family back home (Solimano, 2003; Addisson, 2004). This confirms why migrants send money during family disasters such as death of a close relative, illness and sickness of members. Again money sent down for hospital bills, school fees and the general upkeep of the family may fall into this category of reasoning by migrants. According to Black et al, a close examination of the Ghanaian “migrants’ remittance behaviours” indicates support for the altruism perspective (cited in Tiemoko, 2005)
3.1.2 Self-Interest Motive

This motive suggests that migrants save in their host countries and, after accumulation of enough capital, the question of investment arises. Due to the fact that many members of the diaspora wish to one-day return to the homeland, the idea to invest back home becomes desirable and attractive. In this sense, migrants send money to relatives to invest in property such as land, housing, and/or small-scale businesses where interest will accumulate (Solimano, 2003). Such actions may be a demonstration of how successful a migrant is in the host country. These types of remittances typically affect the household positively as family members at home are caretakers of the assets until such time that the migrant returns. This creates employment for relatives at home in areas where remittances are used to establish family businesses. It also increases family wealth and capital accumulation for investment. This enhances family status and brings a higher degree of freedom and capabilities to families.

3.1.3 Loan Repayment Motive

This motive focuses on the family as a unit of analysis. Migrants send remittances to families back home for loan or debt payment which might have resulted from the cost of educating the migrant at home before his departure. The loan or debt could also arise from assisting the migrant to travel and the initial cost of helping migrants to settle in the host country. After the migrant is settled and income becomes stable and sufficient, money is often sent back home to offset the family debt or loan contracted. Another dimension of this theory is that families see migration as an asset to invest in where relatives abroad are expected to remit those back at home, but still a loan may have been accrued.
3.1.4 Co-Insurance Motive

Beyond the loan repayment is the issue of co-insurance. Remittances are sometimes sent based on insurance considerations of migrants. As in the case of undocumented migrants they are exposed to high level of risk such as arrest and deportation. This level of risk in the host country compels migrants to invest in assets back home to guard against any such circumstances where they may be forced to leave and/or lose employment in the host country. For the migrant, sending money home serves as insurance. Furthermore, during bad times in the host country, migrants can easily return and rejoin the family without any difficulty. The point here is that such an insurance contract is based on family trust and altruism, which may be lacking in any legal contract and members of the diaspora tend to believe in such family contracts (Addison, 2005). The success of this strategy largely depends on investments and managerial capabilities of the household in prudently managing the resources of the migrant (Tiemoko, 2005)

3.2 Tracking Flows Of Remittances

Remittances are part of items classified as transfers on the balance of payment (Addison, 2005). The balance of payment is a statistical statement that takes into account all “transactions between residents and non-resident for a period of time” (Acheampong, 2012). It includes “goods and services account, primary income account, the secondary income account, capital account and the financial account” (Acheampong, 2012). The balance of payment manual contains both current transfers and capital transfers that are recorded in the current account and the capital account respectively. Current transfers are usually of two main categories - that is the government sector and other sectors normally private (Addison, 2005). General government transfers emanate from international cooperation between government and any other organization while other sectors may include current transfers in
the economy between private individuals or organizations other than government. Workers’ remittances are another category. They deal with the estimates of current transfers by migrants who are in other “economies and considered residents there” (Addison, 2005). In short, remittances “represent households income earned from foreign economies” due to the temporary or permanent movement of people into such economies (Acheampong, 2012).

There are three main ways of estimating remittances. These include (1) the use of the balance of payments; (2) statistical inference from the Ghana Living Survey and (3) the use of banks and financial transfer institutions in the home country. In Ghana, however, the most popular estimates come from the balance of payment of the Bank of Ghana (Addison, 2005). The challenge, however, is that migrants tend to use a number of channels for the transfer, which may involve informal means, making it difficult to record the actual flow of remittances into a particular economy at a given time.

The factors that influence a migrants’ utilization of a particular channel may include:

(1) the financial system; (2) institutional environment of both sending and receiving states; (3) convenience; (4) the cost of using a particular channel; and (5) the demographic characteristics of both the sender and the receiver (Acheampong, 2012). Other factors may include procedural burden in the formal channel in the form of identification and incentives by the central authority in the form of tax concessions and favourable exchange rates in the receiving state (see Quartey, 2006).
3.3 Remittances And The Ghanaian Economy

Globally, worker's remittances have been seen as a crucial and significant source of revenue for developing countries. Dilip Ratha (2003) reaffirmed the point that remittances constitute a vital “source of external development finance.” Some development practitioners argue that remittances are a more reliable and stable flow of financial resources from the developed and western economies to developing economies. Recent global estimates of total remittance flow to developing countries surpass official development assistance to those countries (Addison, 2005). According to the World Bank, in the year 2001, official development assistance to developing regions of the world totaled $52.3 billion whiles total remittances flow amount to 77 billion dollars in the same year (Addison, 2005). Recent estimates also indicate an increase in the flow of remittances after the 2008 financial crises that affected its flow marginally in 2009. Estimates of the World Bank reveal that there were total amounts of $351 billion remittance flows in 2011 - that is an 8 percent increase over 2010 (Ratha, 2012). The graph below (Graph 1) shows the global flow of remittances since 1990.

Graph 1: Global Flow of Remittances As Compared To Other Factors, 1990-
Source: World Bank, 2011
3.4 Effects of Remittances

3.4.1 Remittances Improve Standards of Living

At the household level, remittances have been a major source of income for many Ghanaians especially “in times of economic shocks” (Quartey, 2006; Quartey & Blankson, 2004). An earlier study by Ratha (2003) confirms that migrants increase remittances in times of economic shocks to families that mainly depend on remittance for subsistence. This increases household income against economic shocks and reduces household vulnerability. Remittances stimulate consumption among recipients and leads to increased demand for goods and services domestically. It may equally increase the savings of the beneficiary for future investment leading to growth and development of the Ghanaian economy. Remittances can help to improve on the overall welfare and economic well-being of the beneficiary thereby making them independent of any government social interventions targeted at the poor and the vulnerable.

Remittances improve the standard of living of Ghanaian households and enable such families to contribute or pay their community levies towards development projects. Therefore, the new income serves several purposes useful to the growth of the economy. A survey conducted by Quartey (2006) among 166 remittance recipients in Accra indicates that 51.8% of the people use remittances for consumption purposes such as “living expenses, funerals and other purposes” and 44% state that the funds they receive are for investment purposes and interestingly 40% of the people mentioned that remittances constitute a main source of income for them (Quartey, 2006). The author further argued strongly that the decline in poverty levels can be attributed to the large inflow of remittances into the economy (Quartey, 2006). Joseph Acheampong, a researcher with the Bank of Ghana, argues that remittances should be seen as “an anti-poverty tool and item to gauge economic growth and
development” in Ghana (Interview with Mr. Acheampong). Dr Felix Abiwu confirms that family expenses, such as medical bills and school fees, are among the main reasons why he sends money to relatives at home - “I send money home for regular family expenses” (Interview with Dr Abiwu, July, 2013).

3.4.2 Remittances Contribute to an Increase in Gross Domestic Product.

Apart from improving on the welfare of individual or household recipients, remittances also play a crucial role at the national level. Since the late 1990’s, remittance inflows have increased tremendously and in some instances exceeded official development assistance. Remittances contribute substantially to GDP. Remittances are important source of foreign exchange and improve the credit ratings of Ghana. They reduce government expenditure on households and create employment for people in the funds transfer business. The sending of remittances will improve on the country’s infrastructure as some migrants send money for investment in the housing sector, that is real estate development, or community development projects, such as schools or latrines. Remittances increase national income and provide hard currency to finance imports (Addison, 2005). Charts 1-6 show analysis of remittance inflows (see below).

From chart 1, there was a significant fall in remittances to the economy in 2008 leading to a subsequent reduction in GDP the same year. An interview with Mr Joseph Acheampong at the Bank of Ghana revealed that the fall in remittances in 2008 is as a result of the global financial crisis that adversely affected the economies of major destination countries. From Chart 2, the increase in remittances from 2009, 2010 and the subsequent years was followed by a corresponding increase in GDP.

From chart 3 and 4, it is evident that remittances constitute a major contributor to Ghana’s GDP. In 2001 remittances contributed about 13.5% to GDP and 14.4% in 2004. In 2011,
remittances constituted 6.4% of GDP (Acheampong, 2012). A further observation is that remittances have in recent years been more than the inflow of foreign direct investments into the economy. The implication is that a fall in migrant remittances will create, not only balance of payments problems, but affect investor confidence in the Ghanaian economy.

Chart 5 and 6 indicate major destinations of Ghanaian migrants and also the remittance flow from such destinations or countries. The charts show the US and Canada to be the leading countries for the inflow of remittances to the Ghanaian economy. Since 2004, Ghana has received the highest amount of remittances from the two countries and followed by the United Kingdom which is also another important destination for Ghanaian migrants.
Chart 1: GDP & Remittance Inflows
Source: Acheampong, 2012

Chart 2: Remittances to exports of goods and services
Source: Acheampong, 2012
Chart 3: Remittance to FDI and Capital Inflows
Source: Acheampong, 2012

Chart 4: Remittance-to-GDP
Source: Acheampong, 2012
Chart 5: Inward Individual Remittances by Region 2004-2011 (US$)
Source: Acheampong, 2012

Chart 6: Inward Individual Remittances by Region 2004-2011 (percent)
Source: Acheampong, 2012
3.5 Diaspora Participation in Development

3.5.1 Health Sector

One important area to encourage diaspora participation is the health sector. Health is considered as one of the important elements or indicators to measure the level of a country’s socio-economic development. The Millennium Declaration culminating in the Millennium Development Goals clearly affirms the significance of an active and a healthy workforce in an economy. In principle, three of the Goals are health related, among which include reducing child mortality, improving maternal health, and combating HIV/AIDS, malaria and other diseases (UN, 2012).

A major challenge to providing equitable access to health care is the emigration of health professionals, such as doctors and nurses, to destination countries such as the US, Canada, UK and other developed countries. Habte et al (2004) contend that emigration of health professionals will constrain Africa, in achieving the Millennium Development Goals - the health related ones. Habte et al (2004) go on to suggest that sub-Saharan Africa has been at the bottom in terms of health worker to citizen ratio, and the situation is worrying in the case of doctors and nurses.

In Ghana, the exodus of these professionals as a survival strategy has economic and social implications for the country. Due to the critical role that these health professionals play, some argue that their exodus constitutes a drain on the economy. In Ghana for example it costs about $40,705 to train a doctor, $18,748 in the case of a pharmacist and $8,472 to train a nurse or midwife (Anarfi et al, 2010). According to Mensah et al., apart from the economic factors that motivate the health professionals, the issue of further studies has also been a
major reason for their exit (cited in IOM, 2011). Some argue that Ghana, like many other developing countries, lacks the necessary resources, logistics and infrastructure to retain and maintain health professionals (Beaglehole et al, 2003; Anarfi et al, 2010). This makes the health sector suffer from inadequate personnel required in most developing countries, including Ghana.

The alarming rate at which doctors and nurses migrate has drawn high policy interest and led to a number of initiatives to try and retain them. These include vehicle ownership schemes, improved access to local postgraduate training, extension of housemanship, deprived area incentives, health sector salary schemes, re-engagement of returnees, bonding systems and the Migration for Development Project Ghana, instituted by the International Organization for Migration and the Royal Netherlands Government (IOM, 2011). Even though the above named policies or interventions were meant to retain health professionals, a number of the policies have proved to be unsuccessful and have failed to retain doctors and nurses who are normally the target group within the health professionals (IOM, 2011). For example, despite some significant effort to increase access to local postgraduate training a large number of doctors and nurses still prefer training abroad because of the experience and prestige associated with education abroad. Some also argue that some of the programs are poorly run in the local institutions (Mensah et al, 2005).

Of relevance to this research are the various policy interventions in the health sector. Among these include the Re-engagement of the Returnees and the Migration for Development project in Ghana. The re-engagement of the returnees also seeks to harness the expertise of return migrants who are doctors or nurses to join the health service. This scheme fast-tracks the application process even before the arrival of the professionals from abroad (IOM, 2011).
The Migration for Development Project, on the other hand, is a project with the ambitious objective of contributing to the development of human resource in the health sector of Ghana (IOM, 2012). The main rationale of the initiative is to address the challenge of inadequate health personnel in the health sector by mobilizing diaspora resources to meet the needs of the health sector, which is critical to the Ghanaian economy for “creating wealth through health” (Anarfi et al, 2010). The project facilitates a regular temporary visit or return of Ghanaian health professionals from the Netherlands, UK, and other European countries to use their skills, expertise and knowledge to build the capacity of their local counterparts and serve in local health centres in both urban and rural areas in order to deal with the human resource gap in the health sector. This project is funded by the Dutch government by way of mobilizing human capital for sustainable development and poverty reduction in home countries of the professionals (Anarfi et al., 2010).

The Migration for Development project has been linked to the human resource policies and strategies of the Ministry of Health of the Republic of Ghana. It consists of three main areas:

1) International Organization for Migration facilitates temporary return assignments to Ghana carried out by qualified Ghanaian health professionals from the diaspora especially the UK, Netherlands and Germany.

2) Facilitation of internships abroad for qualified health workers from Ghana in hospitals and other health institutions in the Netherlands

3) An assessment into the option of a long term returns of members of the diaspora to the health sector in Ghana (Republic of Ghana, 2007).

It is estimated that about 65 health professionals have permanently returned to Ghana and over 200 health professionals participated in the Project (IOM, 2012). This project has
enabled the diaspora to engage in providing health care, training, sharing of experiences and best practices from the diaspora. It builds local capacity and allows for the needed exposure for local medical staff of hospitals in rural areas as these well trained and qualified medical professionals to not only work with the urban hospitals. This project has created partnerships among Ghanaian medical professionals and their counterparts in the diaspora. Below are some of the accounts of how significant the project has been.

Alexander van Ommen, the Health and Gender Advisor of the Netherlands Embassy in Accra, has this to say in an interview about the project: “The project helped to open up the discussion needed to improve the health sector” (IOM, 2012). “Our Embassy plays a crucial financial role, we have been providing technical support and have used our network to promote MIDA’s visibility with the Ghanaian government”. On the issue of brain drain he indicated the project “ideally could contribute to putting a stop to the brain drain, with medical staff leaving Ghana for the US and Europe” (IOM, 2012). “The Ghanaian government could make a stronger moral appeal to the diaspora to stimulate their involvement in national development, Ghana needs these men and women,” he concluded (Interview with Alexander van Ommen, July, 2013). This reflects the confidence of the donors in the diaspora as a useful resource that could be tapped into for accelerated socio-economic development of Ghana.

Rebecca Acquaah-Arhin, a medical doctor at the Volta River Authority Hospital, has this to say about the project. “The work of the diaspora experts had a profound impact on the VRA Hospital” (IOM, 2012). Initially, hip and knee replacement, cruciate ligament fixation and other orthopaedic surgeries were not performed in Akosombo or other hospitals in Ghana and patients had to travel abroad” (IOM, 2012). But because of the diaspora professionals we can
now perform these surgeries in VRA Hospital and patients all over the country are referred” (IOM, 2012). What I especially value is the diaspora experts’ contribution to improved patient care, improved knowledge and skills of our staff which has expanded the scope of specialized services to the benefit of the community.”

Col. Dr Samuel Offei Awuku at the 37 Military Hospital succinctly put it “Diaspora intervention through projects such as MIDA Ghana certainly has a sustainable effect on the development of Ghana’s health care sector” (IOM, 2012). According to him the essence of the project is how it targets to mobilize the diaspora to build capacity and provide the platform for interaction among Ghanaians in the diaspora and their colleagues at home (IOM, 2012).

The challenge is the Migration for Development Ghana Health Project, is donor funded and the withdrawal of funding from the Dutch government may lead to the collapse of this well thought out project, which has been beneficial to the development of Ghana’s health sector. Even though government through the Ministry of Health has now integrated diaspora interventions into the health sector into its 2012-2016 health plans, a careful examination of the 2012 -2013 national budget revealed no budgetary support for the project (IOM, 2012; Ministry of Finance, 2013).

Within the health sector, members of the diaspora have helped to establish private medical centres and hospitals at home that provide essential services to the Ghanaian public. One of such facilities is the Ghana-Canada Medical Centre in Accra. The hospital has the vision of expanding its services to the rest of West African Countries. According to Dr Danso, a returnee and the Medical Director of the Hospital, the health of the nation and its people is too sensitive to be left in the hands of government alone. “We in the diaspora think that
development is a shared responsibility for which we have a role to play. This health centre is to compliment the effort of the nation in addressing the health needs of the people”. “For me the motivation is to give back to society after years of training and working abroad and my colleagues share the same view” (Interview with Dr Danso, July, 2013).

3.5.2 Education Sector
The quality of human resources of a country, to a large extent, determines the pace of development. Human capital is very crucial at every stage of a country’s development. This means that education is key in all matters relating to the socio-economic development of a country. In recent times industry has questioned the quality of graduates produced for the labour market in Ghana (Manuh et al, 2005). As indicated by Brimoh, “without an adequate supply of competent and qualified personnel, the knowledge production process by African universities will be faulty and the end products will be unsuitable or unprofitable for the stakeholders and the final consumer” (cited in Manuh et al, 2005). Some scholars have also attributed the high rate of graduate unemployment not only to unavailability of jobs but also some graduates do not have employable skills (Manuh et al, 2005). This could be attributed to the lack of exposure, poor teaching and a poor learning environment in the universities as a result of staff shortage. The increase in student lecturer ratio has also affected the quality of teaching and research in the universities. Also the age structure in the public universities reveals that about 40% of teaching and research staff is above fifty years. At the University of Ghana and Kwame Nkrumah University of Science and Technology (KNUST), nearly 60% of teaching and research staff are aged 46 years and above (Manuh et al, 2005). The problem has forced the universities to retain retired staff on contract.
One major way out is the mobilization of Ghanaian academics in the diaspora to teach and do research in partnership with university lecturers in Ghana in order to benefit from the experience and the expertise. This strategy will allow Ghanaian academics and other Africans in the diaspora to serve as external faculty through the use of ICT’s to offer courses to Ghanaians particularly at the postgraduate level. The use of ICT’S will create a virtual return rather the option of permanent return that require their physical presence.

Unlike the health sector, the Ministry of Education has no specific roadmap or appropriate policy guideline in harnessing the potentials of the diaspora and has left the initiative of engaging the diaspora to individual institutions to undertake. An interview with the Director of Tertiary Education at the Ministry of Education reveals that the Ministry has no such policy framework but indicated that some institutions, like the University of Ghana, have partnerships aimed at engaging the expertise of academics in the diaspora (Interview with Mr Teye, July, 2013).

Even though Vice-chancellors of the various public institutions have all made some effort in reaching out to academics in the diaspora, this research will limit discussion to two main initiatives by the University of Ghana. The first is the University of Ghana Diaspora Linkage Programme (UG-DLP), receiving funding for the implementation from the Carnegie Corporation of New York (UG, 2011). This program has, however, been at the pilot stage since 2011. Despite the desire of the University of Ghana to increase postgraduate intake and embark on extensive research, the university is constrained by limited number of faculty members to teach and supervise postgraduate theses and research work. This situation led to the introduction of the UG-DLP to tap into the expertise and experiences of brilliant academics in the diaspora to provide quality training to students. This program requires
academics in the diaspora to spend at least a minimum of a month or a semester at University of Ghana. This initiative provides the mechanism for circular migration. That is the means by which international migration is beneficial to both sending and host countries (Dustman & Weiss, 2007). This initiative is modeled on the Transfer of Knowledge Through Expatriate Nationals (TOKEN) instituted by the UNDP to help sending states benefit from their diaspora.

The challenge with this program is the requirement to be physically present in Ghana. The academics are required to use their sabbatical leave or holidays to teach. As indicated by Ammassari (2009) permanent or temporary return is not attractive to the elite because of commitment to the host country and family constraints. This program, even though at the pilot stage, will not attract large numbers of Ghanaian academics due to the fact the professors will have to leave their family abroad and return home to teach and carry out research. Also due to lack of budgetary support from the Government the program will be a burden on the limited resources of the University.

The second program worth noting is the Ghana Diaspora Educational and Professional Network. This program, in terms of its objectives, seeks to ensure the participation of the diaspora in higher education at home. The project is facilitated by University of Calgary, and funding provided by the World Bank Institute (Interview with Prof Tettey, July, 2013). The program has the following specific goals, including: (1) to expand resources for thesis supervision of Ghanaian graduate students by involving members of the diaspora; (2) to promote graduate student and faculty research and (3) to develop a database of research materials as a virtual library for members of the network.
This program is largely self-initiated by the members of the diaspora, unlike the UG-DLP. This makes helps promote “ownership” of the program and will likely see to its successful implementation. It also imposes very little cost in terms of compensation for the diaspora experts by the Ghanaian universities. However, the program requires upgrading on the existing ICT infrastructure of the university. According to the Project Coordinator Professor Wisdom Tettey, formerly of the University of Calgary, the project saves cost as the internet is used to engage students and academics who are far from themselves. “The main means of communicating is the internet and also using video conferencing facilities to enhance graduate research.” One of the positive elements of the initiative is the sense of fulfillment that, despite the constraints of time and distance, a Ghanaian in the diaspora is able to concretely contribute to the development of the homeland. “Home for a lot of people is not just here but also there and you fill an obligation to give back to that home since a lot of resources have been used to train you…the important element of this project in the use of technology to engage people who are physically far from us”. Tettey (interview, 2013) explains that the members of the network span across North American universities and research institutions. They are top-notch scholars and professionals and are able to build the capacity of their local counterparts back in Ghana. This initiative confirms Gueron’s position that ICT’s have become instrumental in creating opportunities for the diaspora to contribute to knowledge transfer and sharing of experiences in home countries (Gueron, 2008).

According to Tettey (interview, 2013), however, the project suffered a setback when there was an administrative change in the Graduate School of the University of Ghana. This change resulted in a lack of commitment on the part of University of Ghana… And at the same time, on the part of the Network, “some members of the network wanted to go back to their Alma matter”. “Some scientists and engineers among us wanted to connect to KNUST” (Interview
with Prof Tettey, July, 2013). This affects the effort to have an integrated framework and the mobilization of the diaspora to provide services with national character. It undermines unity among members of the diaspora and may lead to duplication of efforts.

Universities are major development actors in all economies. They contribute to wealth creation through knowledge creation and building the skill set of professionals who provide vision and leadership in government, civil society, and the private sector (Ndiaye et al, 2011). The diaspora can collaborate with home universities and enhance the skill and knowledge of students aimed at addressing long term skill shortages in crucial development sectors of Ghana. Return migrants or members of the diaspora can act as catalyst in the private sector through innovative ways of creating employment, for instance the establishment of Ashesi University and Data Bank by some returnees to Ghana (Easterly & Nyarko, 2008).

3.5.3 Agricultural Sector

Another area of intervention by the diaspora in contributing to socio-economic development is the agriculture sector. Presently, Ghana is mandated to spend 10% of her national budget on the agriculture sector through the Comprehensive African Agricultural Development Program (CAADP) (Republic of Ghana, 2009). This program is a flagship AU/NEPAD initiative to accelerate growth and eliminate hunger in Africa. The focus is for African countries to reach a higher goal of sustained economic growth through “agriculturally-led development (Republic of Ghana, 2009). This program requires the commitment of governments to increase exports in the agriculture sector, ensure food security of the continent and provide employment for large population of the African population.

Ghana’s adoption of the program is to add value to the “Food and Agriculture Sector Development Policy II that is the sector plan under the “National Development Program”
(Republic of Ghana, 2009). A coordinated approach for effective development of the agriculture sector, requires mobilization of resources for investment in the agriculture sector. The diaspora, with their transnational network, can develop strategic plans for funding by private and public institutions in their host countries.

A classic example of diaspora engagement in the agriculture sector is the MIDA-Italia Pilot Project supported by the Italian Ministry of Foreign Affairs (IOM, 2012). The Ghana Cooperative (Ghanacoop) initiative was developed by Ghanaian migrants in Italy in order to increase agriculture production and also export such products to the Italian market. In 2007, according to the organizations president, Thomas McCarthy, Ghanacoop made a profit of 1 million Euros (Interview with Mr McCarthy, Ghanaweb, 2008). Ghanacoop aims at ensuring development through sustainable environmental processes of biological certification in vegetables and fruit production in Ghana. “Ghanacoop is proof that members of the diaspora are an important development partners of both home and origin countries” and this requires policymakers to see migrants as part of the solution rather than the problem (Interview with McCarthy, July, 2013). “We want to promote development and prove that Africa can develop through the return of its own people from western countries”, part of the profit is used to finance development projects and also provide scholarship for in the farming communities (McCarthy, July, 2013). This project gives employment to both Ghanaians and Italians. The specific objectives are: import of fairtrade and/or organic exotic fruits from Ghana to Italy; diversification of products and references; creation of specific training opportunities for migrants in the field of entrepreneurship, banking services, administrative and logistical management; replication of Ghanacoop model either in a geographic extension level (in Veneto region), either at the communities diversification level (Migration for Development, n.d.).
In another example, the Suma Agricultural Cooperative Society, developed by Nana Akwamma Trepefo Odiakotene the Queen Mother of Suma Traditional Area, is a demonstration of how the diaspora can contribute to the development of Ghana. She is known in private life as Belinda Comfort Damoah and currently a resident of Lecco near the city of Milan, Italy (Pandya, 2007). Ms. Damoah put together an ambitious proposal that sought to mechanize and bring about “revolution” in the agricultural sector in her traditional area (Pandya, 2007). This proposal received funding from the second phase of MIDA Ghana programme financed by the Italian government. The essence is to encourage migrants in the diaspora to contribute towards reducing poverty in their home communities and provide decent job opportunities for people and enhance the livelihood of women. The cooperative has 500 hectares of land for the cultivation of cashew, mangoes, cassava and vegetables for export to the European market (Pandya, 2007). According to Belinda her purpose is to raise the quality of life and the standard of living of her people. She finds herself as an agent of development having stayed in Europe for over a decade.” I have learnt a lot. I can help them, especially the women. I want to bring all the knowledge I have acquired in Europe to help my people because I know they need me. They need my Knowledge and expertise” (Interview with Belinda Comfort Damoah, 2007 cited in Padya, 2007). This intervention seeks to introduce technological farming, access to farm tools and machinery and prevent post harvest losses by providing adequate storage facilities. She directs the project from Italy through the staff in Ghana. “I am happy and satisfied to see my people, especially women so enthusiastic to build and achieve a better future for themselves and their children,” says Belinda Comfort Damoah.
3.6 Other Policies Towards Engaging the Diaspora

Despite the diaspora being a tool for development in Ghana, policies to harness their potential have been irregular, sporadic and lack continuity due to regime change. Various initiatives such as PANAFEST and Emancipation Day Celebrations were among the earliest government interventions to reach out to the diaspora (Manuh & Asante, 2005). In 2001, the government of Ghana further in its quest to bring the diaspora closer to development efforts at home organized a home coming summit for the diaspora. The summit was under the theme “Harnessing the Global Ghanaian Resource Potential for Accelerated National Development” (Manuh & Asante, 2005; Quartey, 2009). The theme demonstrated the diaspora to be partners for national development and puts responsibility on government and state institutions to engage the diaspora for their financial and material resource which is crucial to Ghana’s socio-economic development. The summit brought together a large number of Ghanaians in the diaspora to seek better ways to advance the country’s development. The summit was planned around the following objectives: (1) to renew the confidence of the diaspora in Ghana, (2) to enhance dialogue and explore opportunities for productive relations between the diaspora and the homeland (3) to identify the means to tap into the capacities of the diaspora for the creation of the nation’s wealth (Manuh & Asante, 2005).

The summit created the opportunity for a number of issues such as the voting rights and the dual citizenship of the diaspora to be discussed This led to the creation of the Non Resident Ghanaians Secretariat under the Ghana Investment Promotion Centre to deal with the concerns of the diaspora which centered around political, economic and governance demands (Manuh & Asante, 2005). The summit made a number of proposals that were never implemented such as the creation of Non Resident Fund to support development projects in the country. The idea of a Non Resident Fund is an innovative mechanism for mobilizing
resources from the diaspora for national development. The secretariat itself was poorly funded due to inadequate resources allocated to the Ghana Investment Promotion Centre. Very little was done in terms of follow up activities to meet with key stakeholders to assess the program of action drawn and the implementation of the summit proposals. According to Ambassador D.K Osei the Executive Secretary to President John Agyekum Kuffour, there was lack of effective collaboration between the secretariat and the office of the President. “Even attempts by the secretariat to organize a follow up meeting in 2004 failed due to lack of proper planning and coordination” (Interview with Ambassador Osei, 2013). “I think that the diaspora is an important element of the Ghanaian society and every effort must be put in place to reach out to them”. I will suggest well-structured institutions with adequate government support to specifically deal with issues relating to the diaspora”. The failure of the summit to produce concrete results creates doubt on the credibility of the state to effectively engage the diaspora (De Haas, 2006)

3.6.1 Dual Citizenship

A major response from government towards the diaspora was the enactment of the dual citizenship law that allows Ghanaians abroad to hold citizenship of their host countries without losing their Ghanaian citizenship. This policy will enhance the participation of the diaspora in democratic political processes and create a sense of belongingness among the members of the diaspora (World Migration Report, 2000). The dual citizenship law, however, excludes Ghanaians with dual citizenship to hold public offices. Without prejudice to article 94(2)(a) of the Constitution, no citizen of Ghana shall qualify to be appointed as a holder of any office specified in this subsection if he holds the citizenship of any other country in addition to his citizenship of Ghana (a) Chief Justice and Justices of the Supreme Court; (b) Ambassador or High Commissioner; (c) Secretary to the Cabinet; (d) Chief of Defence Staff or any Service Chief; (e) Inspector-General of Police;(f) Commissioner, Custom, Excise and
Preventive Service; (g) Director of Immigration Service; (h) Commissioner, Value Added Tax Service; (i) Director-General, Prisons Service; (j) Chief Fire Officer; (k) Chief Director of a Ministry; (l) the rank of a Colonel in the Army or its equivalent in the other security services; and (m) any other public office that the Minister may by legislative instrument prescribe (Republic of Ghana Citizenship Act, 2000). By operation the law equally prevents the holders of dual nationality from standing for parliamentary elections. This provision in the law according to the homecoming summiteers is contradictory and infringes on the rights granted to Ghanaians in the diaspora under the 1992 Constitution (Manuh & Asante, 2005). It means that an attempt to use legislative means in the absence of proper diaspora engagement strategy has not provided the needed legal regime for the diaspora to fully participate in the political processes of the country.

The challenge with the current law is that Ghanaians in the diaspora who hold dual citizenship irrespective of their qualification and expertise are unable to hold the above named positions to effect the needed social change for development. Prof Tettey is of the view that there exists an “unspoken subtle mistrust and suspicion between we the diaspora and our counterparts at home” and this has manifested in the kind of legislations that are passed by parliament to engage the diaspora (Interview with Prof Tettey, July, 2013). I think that the law reflects the desire to gravitate towards the financial and material resources of the Ghanaian diaspora but not to give them what they deserve as citizens. It appears to me our country was early on averse to dual citizenship for Ghanaians, “you know at the start of all this, the focus was on African-Americans in the diaspora and not Ghanaians”. Dr Abiwu however agrees with the provisions of the law and cited a reason of “divided loyalty” (Interview with Dr Abiwu, July, 2013). He posits that Ghanaians with dual nationality could be allowed to serve in non-political higher positions. “I share share the view that dual
citizens could serve as Chair/ Advisor of a Board of a state agency” (Interview, Dr Abiwu, July, 2013). From the analysis the major question arising is whether in practical terms the acquisition of dual citizenship leads to divided loyalty especially within the context where migrants employ some of this coping mechanisms and strategies to succeed in their host state. Recent practices have shown that countries are retreating in their “distaste” towards dual nationality (Spiro, 2002). “From a Draconian attitude, toward a globally more lenient government approach, the history of dual citizenship is one of gradual evolution” (Barry, 2006; Rhodes & Harutyunyan, 2010). Globally, views of policy makers and politicians differ on dual citizenship. In times past dual citizenship was seen as an “abhorrence of the natural order”, political loyalty and citizenship were seen as “inseparable” (Faist & Gerdes, 2008). The aversion towards dual nationality principle was heavily influenced by the League of Nations’ position of “All persons are entitled to possess one nationality, but one nationality only” (Faist & Gerdes, 2008). However recent developments have shown greater commitment of countries towards dual citizenship. The 1997 European Convention on Nationality signed by majority of European states made no restrictions to dual nationality but provided expansion in the discretion of states accepting and tolerating dual citizens. In North America, Mexico for example has employed dual nationality as a novel idea to retain the support of the diaspora and Mexican migrants (Bayes & Gonzalez, 2012). Some countries in the world like India, Philippine place some restrictions on persons holding dual citizenship especially voting rights. In the case of Philippine, dual nationals abroad who wish to vote must sign undertaken that they will return permanently within the next three years and India does not allows non-resident citizens to vote (Newland, 2010). In exception of Israel very few countries allow dual citizens to hold high political offices (Newland, 2010). In all, about eleven countries reserve seats in their legislature for the diaspora. Four are in Europe, four in Africa and three in the Americas (Newland, 2010). The African countries include Algeria, Angola, Cape
Verde, and Mozambique. The drive towards dual citizenship is also as a result of its acceptance by international law.

3.6.2 Diaspora Support Unit at the Ministry of Foreign Affairs and Regional Integration

Another policy initiative was the establishment of the Diaspora Support Unit at the Ministry of Foreign Affairs and Regional Integration with the support of the International Organization for Migration. This Unit is located in the Legal and Consular Bureau of the Ministry of Foreign Affairs and Regional Integration. It has the mandate to (i) promote good relations between diaspora and Ghanaian authorities; (ii) establish a Ghanaian diaspora databank; (iii) ensure that the diaspora is well informed about development policy initiatives in Ghana; (iv) promote policies to encourage the diaspora to invest in Ghana; (v) support favourable migration and investment policies for diaspora; and (vi) mobilize the human and material resources of the Ghanaian diaspora with the view to mainstreaming the diaspora in national development (Odei-Afoley, 2013). The rationale for the Unit is to coordinate all activities regarding the diaspora and link the diaspora to national development. This Unit, according to the Director of Legal and Consular Bureau of the Ministry of Foreign Affairs, seeks to further enhance the capacity of the Ghanaian government in reaching out to the diaspora and to protect the interest of Ghanaians living abroad (Interview with Mr Ebenezer Afeku, July, 2013). According to Mr Kweku Sam a consultant with the Unit, the needs of the diaspora are diverse and requires and institutional framework to provide timely and immediate response to these needs. It is therefore “our expectation that the unit would gradually progress into a full bureau within the Ministry” (Kweku Sam, July, 2013).

A close examination of the Diaspora Support Unit reveals that it is poorly located within the Ministry and lacks the necessary visibility to deal with the complex issues of the diaspora. In Uganda, for example, the Ministry of Foreign Affairs has a whole department that deals with
diaspora issues and receives budgetary support from the central government (Agunias et al., 2007). This reflects the commitment of the central government towards engaging the diaspora. Unlike the case of Ghana, the program is funded by the International Organization for Migration, and office space for the staff of the Unit are provided by the Ministry. Despite some initiatives to publicize the activities of the Unit through a well running and up to date website most people in the diaspora are unaware of the Unit and how to take advantage of the services provided.

Views expressed by some Ghanaian migrants in the UK through a Skype interview and video conferencing confirmed the lack of adequate publicity on the activities of the Unit. Twenty-five out of the randomly selected 30 Ghanaian migrants in the UK did not know of the existence of the diaspora support unit at the Ministry of Foreign Affairs (Skype conversation with 30 migrants in the UK, July, 2013). This further suggests the activities of the Unit are largely limited to stakeholders such as leaders of notable Ghanaian associations in the diaspora. Two of the selected 30 migrants had knowledge of the Unit but who were also executive members of Network for Diaspora Professionals, a Ghanaian migrant association based in the UK. A further conversation revealed that the two migrants have participated in a colloquium organized by the International Organization for Migration Ghana in August, 2012. The Unit is managed by two consultants without any supporting administrative staff. This makes them unable to attend to needs of the diaspora (Interview with Odei Angela, July, 2013). “We sometimes face the challenge of bureaucratic delays in our quest to provide services to the diaspora but don’t forget the diaspora is a profitable market for the state”. Her view reflects an important point made by Professor Tettey that diaspora engagement policies are largely driven by economic and materialistic gains and not providing an integrated framework for sustainable long term engagement for mutual benefit. If the Unit would be using the Ghanaian missions abroad to reach out to the diaspora then I am afraid because,
many members of the diaspora are unhappy about the services of the Foreign Service Officers.

The organization of the Mexican diaspora in the U.S.A through institutional mechanism provides a useful insight for countries seeking to harmonize the activities of the diaspora towards better and effective engagement. The rise to power by President Vicente Fox in the year 2000, resulted in radical positive changes in the Mexican state policy towards the diaspora. President Fox created the Oficina Presidential para Mexicanos en el Extranjero (OPME) with the aim of providing privilege access to the President and ensuring full participation of the diaspora in socio-economic transformation of Mexico (Bayes & Gonzalez, 2012). He later created the Consejo Consultative del Instituto de los Mexicanos en Exterior (CC-IME). The CC-IME was charged with providing advice to the Mexican government on how best to engage Mexicans Living Abroad. The CC-IME has a secretariat at the Mexican Ministry of Foreign Relations but free to disagree with government policies and provide alternative view (Bayes & Gonzalez, 2012). The Mexican example provides for extensive consultation with the members of the diaspora and leadership is provided through elected representatives.

3.6.3 Creation of Ministry of Tourism and Diaspora Relations

The creation of a Ministry of Tourism and Diaspora Relations in the second term of president John Agyekum Kuffuor was thought to have been a relief to Ghanaians abroad just like their counterparts from Mali, Haiti, Serbia, India, Benin, Somalia, Tunisia, Serbia and Armenia (Agunia, 2009). These countries have full ministries that deal with engaging their diaspora towards national development. The Ministry of Tourism and Diaspora Relations has a mission statement of ensuring a sustainable relationship with the Diaspora for resource mobilization and investments which made some people to assume that it was to deal with the
Ghanaians in the diaspora. According to Mrs. Ohene Osei the principal tourism officer at the Ministry of Tourism and Diaspora Relations, there were misconceptions when the expansion was done to include diaspora relations, our focus was on Africans in the diaspora but people thought we were referring to Ghanaians in the diaspora (Interview with Mrs Ohene Osei, July, 2013). The focus of the Ministry was on the “victim diaspora” associated with the slave trade and not other Ghanaians in the diaspora who are “labour diaspora” (Cohen, 1997). For Mrs. Osei there was no need for government to confront itself with “enticing” the Ghanaians in the diaspora to return. In her view Ghanaians abroad visit regularly and government should not burden itself. The change in the name of the ministry to just Ministry of Tourism in 2009, indicates the ad hoc basis on which policies are initiated towards the diaspora. A number of countries have adopted creative and best practices such as establishing full ministries to engage their diaspora. These countries include India, Mali, Uganda, Haiti and the Philippine (Agunias & Newland, 2012). A novelty on the part of the Philippine is the promotion of large-scale contract deployment aimed at reducing unemployment at home. These ministries do not only concentrate on their victim diaspora but all citizens living abroad.

The underlying principle for most states to engage the diaspora is to benefit from their knowledge, skills, expertise, and financial resources. However, the political inclusion of the diaspora is as a result of intense lobbying of the diaspora (Barry, 2006). Barry (2006) further explains that due to “disparities between the economic development of the global North and the South…it seems clear that sending states interest in their nationals abroad are primarily driven by economic considerations.” With this in mind any appropriate policy targeted at the diaspora is to enhance their contributions to socio-economic development.
References


CHAPTER FOUR
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

4.0 Summary of Findings

This study has revealed that attempts by the Ghanaian government to harness diaspora resources has been fraught with challenges and no clear-cut policy framework exists to effectively partner the diaspora for socio-economic development. The following specific findings were made.

Firstly, there is weak institutional mechanism to engage the diaspora. The Ghanaian missions abroad are unable to provide reliable data on the total number of non-resident Ghanaians. It is therefore difficult to plan towards the unknown migrant world and involve them in development initiatives at the national level.

Secondly, early approach to engage the diaspora was faulty and limited to only African Americans. The faulty conceptualization of the diaspora has manifested in one-sided policy initiatives such the Pan African Festival (PANAFEST) celebrations, which has little space for Ghanaians living abroad. The limited definition of the diaspora in the early 1990’s was due to the frosty relationship that existed between the regime and some members of the Ghanaian diaspora. This reflects the unwilling posture of the regime to engage its own Ghanaian diaspora.

Thirdly, the use of informal channels in sending remittances due to cost has accounted for the inability of the Bank of Ghana to provide actual estimates of remittance flow into the country. The lack of credible data on total remittances to the Ghanaian economy affects
national planning, budgeting and integrating remittances into the economic policies of the
government.

Fourthly, there is the absence of an integrated and well-coordinated framework, to mobilize
the resources of the diaspora towards development in Ghana. Hometown associations and
ethnic loyalties undermine national efforts to harmonize the activities of the diaspora.
Existing national policies do not take into account the ethnic diversity of the diaspora and the
concept of decentralization in Ghana. The unspoken lack of trust in the government by the
diaspora makes it difficult for effective engagement and the labeling of returnees who
challenge the status quo as “know it all folks”, that is, people who see themselves as having
superior knowledge, serve as a disincentive for returnees to call for socio-political reforms
that will aid development.

Fifthly, Ghanaians abroad have demonstrated their commitment towards nation building and
development by keeping ties with friends, relatives and also keenly following public
discourse on the various website, television and radio programs. Lastly, the government of
Ghana has recognized the development prospects and potential of the diaspora and has made
some effort to engage the diaspora. The USA, Canada, Netherlands, Italy and the UK are the
major destination countries. This implies that the government of Ghana should devise
strategies and promote legal migration of Ghanaians to these countries. This requires a
bilateral agreement on migrants from Ghana to these regions of the world.

Bilateral engagement of host countries has shown remarkable progress in helping migrants to
contribute significantly towards the host and origin countries. This places responsibility on
major destination countries to provide technical and financial assistance to migrants in their project design and implementation.

4.1 Conclusion

There is no debate about the role of the diaspora in the socio-economic development of Ghana. This role has been acknowledged by multilateral and bilateral donors with their readiness to assist Ghana to fully tap into the resources of the diaspora. What appears to be missing is the institutional framework and capacity to formulate and implement appropriate policies and effective strategies that will promote, enhance and consolidate the participation of the diaspora in development. There is the need for demonstrable political commitment, marshaling of the needed resources, policy coherence at all levels to ensure Ghana fully benefit from the huge resources of the diaspora. Despite the lack of policy framework to institutionalize the development initiatives of the diaspora, programs such as MIDA Health Ghana and MIDA Italy-Ghana are positive examples of host countries facilitating the development role of migrants in sending states.

The effort of government in reaching the diaspora has been on ad hoc basis. These ad hoc policies are neither sustainable nor part of systematic strategy to include the diaspora in development of the country. The public pronouncement of the Ghanaian government about the development role of the diaspora is not met with concrete national action plans and this breeds a lack of trust among members of the diaspora. The distrust makes Ghanaians in the diaspora to favour and willing to support community development led activities at the expense of a more holistic and comprehensive approach designed and coordinated at the national level.
Even though government has the desire to tap into the financial resources of the diaspora, government is constrained in granting full political rights to Ghanaians in the diaspora. A typical example is the limitations associated with the Dual Citizenship Law and the lack of political will and commitment towards implementing the Representation of People’s Amendment Law to allow non-resident Ghanaians to vote in national elections.

The nascent private sector in Ghana has initiated some measures to enhance the inclusion of the diaspora in national development. The private sector initiatives can only succeed with government of Ghana playing key role in creating the necessary investor environment, dealing with bureaucratic delays, bribery and corruption practices that have engulfed the public sector in Ghana.

Efforts to know the Ghanaian diaspora should be the priority of government. It is only through knowing the diaspora that proper planning and their involvement in development plans and initiatives can be successful. Public and symbolic acknowledgement of the contributions of the diaspora must be followed by concrete plans and actions on the part of government and the private sector to reach out to the diaspora.

4.2 Recommendations

The development opportunities presented by migration has compelled the international community to adopt global strategies and coherent policy framework to enhance the contribution of migrants in the development of both origin and host states. The Ghanaian state needs to take advantage of the various global platforms and initiate pragmatic steps towards the diaspora that will make them real partners in socio-economic development of the country. There is the need to adopt best practices such as private-public partnership from
countries such Mexico, Philippine, India, and Israel. The following are some recommendations to be considered by governments that seek to maximize the full potentials of their diaspora.

The Ghanaian government must identify and define in clear terms the objectives to achieve in engaging the diaspora. These well stated objectives would be the guiding principles and help build commitment towards engaging the diaspora through a continuous process. The setting of goals for engaging the diaspora must involve members of the diaspora and be part of the overall development framework. For example the government of the Philippines promote large-scale contract deployment aimed at reducing youth unemployment at home and encouraging remittances to improve on the country’s balance of payments.

After defining the goals of engaging the diaspora, the key thing to do is to know who and who constitute the diaspora. This involves collecting data on the diaspora taking into account the skills, experience and expertise. This process of locating the diaspora is to provide the avenue to understand the needs, interests and the diverse agendas of the diaspora. This will then inform policy choices available to the Ghanaian government. The data collection enables government to know the resources that the diaspora can provide and what will be governments’ own responsibility in the engagement process.

After the location and skill inventory of the Ghanaian diaspora, the next stage will be to build trust between the diaspora and the Ghanaian state and not necessarily a government. This trust can be built through adherence to principles of good governance, respect for human rights, effective legal regimes and systems that ensure safety, and honouring of promises made by public officials of the state. Trust will also be built when members of the diaspora
drive value from their dialogue or relationship with the state. The relationship between the state and the diaspora should lead to the establishment of joint decision-making bodies that will be representative and inclusive to reflect the diversity of the Ghanaian diaspora. Disagreements with government decisions by the diaspora must be seen as part of the consensus building process.

After building trust with the diaspora, the next thing is to persuade the diaspora towards the development of the homeland Ghana. Government must endeavor to streamline and effectively coordinate various initiatives of the diaspora and link them to the main development plans of the country. The Diaspora Support Unit in the Ministry of Foreign Affairs and Regional Integration should be transformed into a full ministry to deal with diaspora issues. The restructuring of the Diaspora Support Unit alone may not be enough to engage the diaspora. There is the need for civil society participation and independent private agencies and bodies to complement the effort of government. Again government and the Ministry must reorganize the various missions abroad and reorient consular officers to see Ghanaians abroad as part of their responsibility.

Leaders of various Ghanaian migrants’ association must be involved in planning the visits of high profile government officials and more especially the president. Bi-partisan organizing committees could be set up to mobilize Ghanaians in the diaspora to meet and interact with state officials during visits to host states. This bi-partisan approach is to prevent selectivity in the attendance of such forums and gathering. It will also give national character to the gathering and will ensure social cohesion of the diaspora members regardless of partisan political and ideological inclinations.
For government to creatively engage the diaspora and benefit from them the framework developed by Migration Policy Institute in 2009 is worth adopting. This framework details the various actors and the specific role each is expected to play to enhance the dialogue and the engagement process with the diaspora (Agunias & Newland, 2012)

The next recommendation is for the Ministry of Finance and Economic Planning to develop prudent fiscal regime towards the diaspora. This will bolster the confidence of Ghanaians abroad who are willing to invest back home. There is the need to exploit collective remittances through the option of diaspora bonds as demonstrated by India and Israel. The Diaspora Bond will serve as a debt instrument issued by Ghana government or a private company to raise financing from Ghanaians abroad. It is an attractive and inexpensive means of raising external finance for development projects and this may serve as a more secured stable means of financial flow from the Global North to Ghana. Dedicating a financial instrument to the diaspora will build trust and succeed due to the priceless commitment of the diaspora towards the development of Ghana. Due to public perception of corruption on the part of state officials in Ghana, there is the need to establish an independent institution through private-public partnership with the involvement of the diaspora in the management of the funds. Such a private financial institution should be listed on the Ghana Stock Exchange to increase diaspora investor confidence.

Diaspora Tourism is another means by which Ghana can enhance the participation of diaspora in economic growth and development. There is the need for the Ministry of Tourism to develop a strategic plan to attract large number of tourists in the diaspora into the country. This program could be “Discover Ghana The Homeland of African Americans in the Diaspora”. This all-encompassing program could be marketed by Ghanaian missions abroad,
Ghanaian students abroad and the entire Ghanaian diaspora to reach out to wealthy African Americans to visit Ghana to learn more about the Slave Trade and also assist some to trace their origins to Ghana. The international media should be used to advertise this program and government should take advantage of numerous bilateral and multilateral platforms to get visitors to Ghana. There is the need to also provide adequate infrastructure in tourist sites to make such tourist destinations attractive to visitors.
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