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The contribution of non-cash remittances to the welfare of households in the Kassena-Nankana District, Ghana

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ABSTRACT

This study examined the flow of non-cash remittances in the Kassena-Nankana District in Ghana. Twenty in-depth interviews were held with recipients (respondents) of non-cash remittances and thematic analysis was used to analyze the data. Findings revealed that non-cash remittances were in the form of foodstuff and electronic appliances and they were used for various purposes. The perspectives and experiences of respondents indicate that these transfers contribute significantly to improving household welfare. Thus, establishing institutional policies to facilitate the flow of non-cash remittances will not only benefit recipients but can also contribute to the socio-economic development of receiving countries through taxation.

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Migration; Ghana; remittance; non-cash remittance; Kassena-Nankana District; livelihoods

Introduction

Migration is a significant feature of population change globally (Castles et al., 2013). It occurs in and across social, economic and political spaces with particular reasons and outcomes (King & Collyer, 2016). Increase in the intensity of migration has led to a rise in the level of remittance flow to third world countries in the past decades (Ratha et al., 2016). According to the World Bank,¹ remittance to developing countries is the second largest capital flow worldwide aside from Foreign Direct Investment (FDI) and before Official Development Assistance (ODA). Remittances have even exceeded the levels of FDI and ODA in some countries (Lubambu, 2014). For instance, Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB) indicates that remittances to Latin America and the Caribbean reached 66.5 USDmillion in 2007, an increase of 7% over 2006 (Ratha, 2005). A fundamental characteristic of remittances that makes it a credible source of capital flow to developing countries is its cyclical nature; it flows continuously despite periods of economic and political shocks (Gupta et al., 2009; Masron & Subramaniam, 2018; Ratha, 2013).

In Africa, remittances represent a substantial financial flow with significant development potential. This is because these transfers directly or indirectly address Sub-Sahara Africa's ultimate challenge of poverty (Mazzucato, 2008; Stojanov & Strielkowski, 2013). The World Bank Group (2010) asserts that while FDI has been inconsistent in Africa for the past decade, remittance transfers have been growing steadily. Remittances, either in cash or in-kind, are transferred to improve family members' and communities' ability to survive or acquire property (Obeng-Odoom, 2010). In 2000, about 44% of migrant households in the Greater Accra and Brong Ahafo regions of Ghana reported receiving either goods or money from emigrants (Awusabo-Asare et al., 2000).

Only 24% of the migrant families in the Eastern Region of Ghana received any form of remittances. About a quarter of the return migrant households in the Ashanti and Brong Ahafo regions also reported receiving remittances, the highest levels of any region in Ghana (Awusabo-Asare et al., 2000).

Moreover, remittances can serve as insurance to counter crises (Lucas, 2006). Studies show that migration and remittances act as insurance against risk situations for susceptible households (Gioli, 2017; Kagan, 2016; Millán, 2019). For instance, remittances sent to Botswana enabled rural low-income families to cope with difficulties caused by extreme drought (Lucas & Stark, 1985). Remittances also helped rural low-income families in Ghana to survive the effects of higher inflation periods (Lucas, 2006). These studies across the sub-Saharan African region show that remittances contribute significantly to the welfare and living conditions of recipients, especially in rural areas, where agriculture is the mainstay of the local economies (Castles et al., 2013).

While the evidence across Ghana and sub-Saharan Africa shows that remittance flows are growing exponentially and contribute significantly to socio-economic development, some critical aspects of remittances have received scant attention. In particular, little attention has been paid to non-cash remittances (Chimhowu et al., 2005; Mata-Codesal, 2011). Yet, research suggests that non-cash remittances are significant and growing steadily (Asiedu, 2008; Kerzner, 2009; Maphosa, 2007). These remittances are in the form of food items such as rice, maize, and cooking oil, and consumer goods, including agricultural inputs, building materials, electronic gadgets and bicycles (Maphosa, 2007). There is evidence indicating that these transfers can contribute substantially to households' survival and coping mechanisms in sending countries (Asiedu, 2005; Kerzner, 2009; Maphosa, 2007). Other scholars report that these transfers constitute about 10 to 50% of total remittances, and to improve household welfare and living conditions and promote development through remittances in many African countries, non-cash remittances need immediate research and policy attention (Asiedu, 2005; Chimhowu et al., 2005; Kerzner, 2009; Maphosa, 2007). Although cash transfers constitute the bulk of remittances, non-cash transfers are increasingly recognized as crucial and thus require research and policy attention. Therefore, contributing to the sparse but nascent literature on non-cash transfers, this study explored the flow of non-cash remittances in the Kassena-Nankana District in Northern Ghana. Specifically, the study focused on the perspectives and experiences of beneficiaries to understand: (1) The kinds of non-cash transfers migrants remit to households in northern Ghana, (2) The channel of these transfers, (3) The uses of these remittances, and (4) The contribution of these transfers to the enhancement of household welfare and living conditions. Non-cash remittances, as used in this study encompass non-cash transfers from migrants to their relatives in the Kasena-Nankana District. These include items such as food items, clothing and other household consumables such as electronic gadgets. With the beneficiary households as our entry point, the study focused on and traversed between international and domestic non-cash transfers into the district. We highlight both as essential sources of non-cash remittances for the beneficiaries.

The literature

There is a minimal but growing body of literature indicating that non-cash remittances in the form of consumer items such as food are significant transfers contributing significantly to household welfare in countries of departure (Delgado Wise et al., 2013). In their study in Ecuador, Mata-Codesal (2011) found that Xarban and Pindo villages were significant recipients of in-kind transfers. Almost half of the migrants abroad had sent non-cash remittances to their relatives back home. The most common forms of non-cash remittances were clothes, toys and technological gadgets such as laptops. However, transfer cost was a significant barrier to sending this form of transfers to relatives back home. In another study in Ghana, migrants upon return to their place of origin made contributions in the form of donations to their respective communities (Asiedu, 2008). These contributions were in the form of non-cash items such as surgical supplies, drugs, computers,

food items, clothes and other educational materials. This explains that migrants do send not only cash remittances but also non-cash transfers, which are vital for improving the living conditions of relatives in countries of departure. Likewise, in Zimbabwe, there is some evidence that the majority of remittance flow over the past decades has been in the form of goods such as cooking oil, maize and clothing (Kerzner, 2009; Maphosa, 2007). Such transfers responded to the immediate needs of recipients during shortages of food. Importantly, migrants sent these items when there was the subsidence of agriculture production and hyper-inflation in departure communities. Other goods sent by migrants included furniture and construction materials. Another study in Albania also reported that half of the sampled respondents confirmed receiving non-cash remittances in the form of food, clothes, medicine and electronic appliances.²

The available literature, therefore, indicates that non-cash transfers constitute a significant part of remittances often sent to relatives in origin areas, contributing to improving recipients' welfare and living conditions. Although non-cash remittances deserve ample attention and space in the remittance literature considering their instrumental role in improving living conditions (Chimhowu et al., 2005), there is a lack of copious research on these non-cash transfers in the remittance literature. This warrants that more empirical research is directed to non-cash remittances, as migrant households are benefiting from these non-cash transfers, especially in the African context, where migration is commonplace. Abundant scholarship on non-cash transfers would help understand their role in improving the living conditions of beneficiaries through which institutional policies can be established to facilitate their flow.

While in the remittance literature some studies found that remittances have a positive impact on the welfare of beneficiaries (Ang, 2007; Anyanwu & Erhijakpor, 2010; Guiliano & Ruiz-Arranz, 2009; Yang, 2008), others claim a negative effect on recipients' living conditions (Adams & Cuecuecha, 2010; Bourdet & Falck, 2006; El-Khawas, 2004; Reinert, 2007), suggesting that findings on the impact of remittances on recipients' welfare are inconclusive and remain unresolved. Investigations on the flow of non-cash remittances will, therefore, contribute to this debate in the remittance literature. Importantly, to measure the effect of remittances in alleviating poverty and promoting socio-economic development, non-cash remittances must be understood better and considered in research and policy circles. Empirical research should seek to understand the flow of non-cash remittances and how they contribute to improving the welfare and living conditions of beneficiaries. This study presents additional perspective to ongoing intellectual discussions and debates on the flow of non-cash remittances, with the hope of providing some insights and shedding more light on this important topic for research and policy purposes.

Methods

Study area

This study was conducted in the Kassena-Nankana District of Ghana. The area shares boundaries to the North with the Republic of Burkina Faso, to the East with Bongo and Bolgatanga Districts, to the West with the Builsa District and Sissala District of the Upper West Region and to the South with the West Mamprusi District of the Northern Region (Ghana Statistical Service, 2010). The municipality is more than 80% rural and recorded a population of 149,680 in the 2010 population and housing census (Oduro et al., 2012). The District lies within the Guinea Savannah woodlands. However, the woodland is relatively degraded as it faces severe threats of encroachment and the continual outbreak of bushfires. The level of literacy is generally low, with dispersed settlements. While agriculture, specifically farming, is the mainstay of the local economy, trading activities are also common, and those involved are mainly petty traders because of scarce financial capital to establish large-scale businesses (Oduro et al., 2012). The area is characterized by irregular rainfall pattern, which limits food production to a single season. Weather conditions can be very severe, causing occasional flooding or droughts leading to poor harvest. Evidence has shown that the

district is one of the poorest, with a high unemployment rate in the country (Ghana Statistical Service, 2010). The Kassena-Nankana District Human Development Report (2011) indicates that migration is more pronounced in the area due to severe weather conditions such as drought/famine and acute socio-economic conditions such as unemployment. The report also reveals that about half of the migrants are found to remit to households, and female migrants are more likely to remit compared to male migrants. With this background, therefore, this geographical area presents an interesting case to analyze the flow of non-cash remittance.

Sample respondents

The study was purposely conducted to find out recipients' perspectives about the flow of non-cash remittances to the district. The target population for this study was beneficiaries of non-cash remittance. In this area, a gatekeeper was identified and contacted to find out a household or family with a migrant. The identified respondents were used to locate other respondents through the snowball sampling method (Penrod et al., 2003). Twenty households were sampled and interviewed. For a family to be selected to participate in the study, migrants should have stayed in a foreign country or another region of Ghana for three years or more. This criterion was adopted because Arif (2004) asserts that it takes at least two years for migrants to be socially and economically well positioned to begin to remit their families.

Data collection and analysis

The data collection method was self-administered in-depth interviews (IDI) to ascertain in detail the flow of non-cash remittances and their importance to recipients. The interviews were moderated using a flexible semi-structured interview guide, which covered questions, including decision making in the household before remitters migrated, the kinds of non-cash remittance received, uses of non-cash remittances, channels of flow of non-cash remittances and the importance of these remittances to livelihoods of households. The guide was initially designed in English and translated into the local dialect (Kasem) for respondents who could not understand and answer questions in English. Each interview lasted between 30 minutes and 1 hour to allow for optimal and meaningful conversation about non-cash transfers. The interviews were audiotape recorded and later transcribed into soft copy by the first and third authors. The data were analyzed using thematic analysis, which helped to organize and code the data in a clearly defined criterion, look for patterns and develop themes. All the authors were involved in coding the data and the interpretation of the findings to guarantee the validity and trustworthiness of the study. Verbatim description of the respondents' responses is used to support the findings. For anonymity reasons, pseudonyms are used in place of the real names of respondents.

Results and discussion

Kinds of non-cash remittances

Respondents mentioned that household migrants sent non-cash transfers. The common types of non-cash transfers were clothes, food, toys and technological gadgets such as laptops. For example, Kadoa, a female respondent of this study, whose relatives reside in southern Ghana, stated that:

My family members send us bags of rice, millet, maize, and clothes, and this is done every two months. These things are usually sent during the lean season when food is scarce and prices are high (Kadoa, IDI)

The recipient of non-cash remittance by beneficiaries in sending areas explains that migrants send non-cash remittances in the form of food items, clothes and other household items. While there is an increasing transfer of non-cash remittances, evidence shows that it is hard to make an accurate

and realistic assessment of remittances because one-sixth of total remittances are in-kind, which are mainly long-term consumable durables and electronic equipment (Misja, 1998). From this, many of the respondents attested to receiving electronic equipment apart from consumables such as food items. Kane, a female beneficiary of electronic items reported that:

Our relatives abroad send us refrigerators, computers, mobile phones, TV sets, tapes. They also send us clothes, shoes, and cooking utensils (Kane, IDI)

The above discussion shows that whereas remittances are considered to constitute mainly cash transfers, in the study area, it is essential to note that migrants purchase goods for their relatives back home. These non-cash remittances are usually in the form of foodstuffs such as maize-meal, sugar, salt, and cooking oil and other goods such as bicycles, computers, radios, sofas, agricultural inputs and building materials. Migrants usually send these goods and items to meet the immediate needs of family members such as food provisioning in the lean season as highlighted by Kadoa and long-term consumables as highlighted by Kane. This finding is consistent with previous studies that found that migrants send non-cash items to relatives in sending areas (Asiedu, 2005; Kerzner, 2009; Maphosa, 2007; Mata-Codesal, 2011). Thus, remittance transfers are not only in the form of money, but they can also take the form of goods, such as staple foods or electronic items.

Channels of non-cash flow

Recipients of non-cash remittances received items through both formal and informal channels. Maimbo and Ratha (2005) indicate that remittance channels to and within Africa can be grouped into two categories: formal and informal channels. Official channels include remittance transfers via banks and post office. Informal channels, on the other hand, encompass the transfer of remittance through friends, relatives and transport services (Maimbo & Ratha, 2005). The majority of respondents mentioned receiving goods or items through the informal system. Ane, a male respondent of this study, whose relatives live in the southern part of Ghana, specifically Accra, recounts receiving items through the informal medium as follows:

When it comes to food items and other consumables, my children send them through friends or relatives or when they are returning home on vacations

Regarding the formal channel, a couple of respondents reported receiving goods through the Post Office. Ayaga, a male respondent, who received goods from his relatives abroad explained that:

My children normally give me a code number to collect these items from the post office. Using this means for sending goods is because of the distance involved (Ayaga, IDI)

These statements illustrate that migrants remit their relatives back home through various channels. Some include the option to have goods delivered through friends, buses or the use of vouchers to redeem goods. El-Qorchi et al. (2002) and Kabucho et al. (2003) indicate that in some areas, goods are sent by buses, coaches, and courier companies as part of their regular and official service. These channels are significant avenues through which migrants can remit their families to insure against external shocks. Further, these channels tend to increase affordability and accessibility of non-cash remittances by marginalized people such as rural poor or peasants. The importance of some of these channels lies in their ability to provide security and reliability and reach out to distant geographical communities through their local branches. However, most of the non-cash items were received through informal channels. This is mainly because many respondents mentioned that receiving goods through the formal channel is problematic. Apuri, a male respondent who has relatives in southern Ghana and the United Kingdom, narrated his experience concerning the formal channel:

The formal way of collection of items is full of bureaucratic processes and huge sums of taxes are paid before goods are cleared (Apuri, IDI)

Alice, a female respondent, also lamented about the official channel indicating that the cost involved in redeeming items is expensive. Thus, she prefers the informal channel because it is a cheaper way of receiving goods. This is reported in the following extract:

I have received items through both channels and realized that goods sent through friends or the transport service is far better than government agencies. I remember I went to collect goods sometime back sent by my daughter through the local post office and the amount I paid was huge. That day I regretted I went to that place to receive items. I even had to wait for a couple of hours before I could collect my items (Alice, IDI)

It can be observed from the preceding discussion that the majority of non-cash remittances was sent through informal channels. It is evident in the study area that there is preference for informal channels over formal systems. For instance, most goods were sent through friends, relatives and buses. The existence of social ties between migrants and family members and friends provide personal links for the informal sending of non-cash remittances. Using the informal means of transfers is built on trust and social networks. This channel provides a fast and cost-effective means for sending or receiving non-cash remittances, particularly for low-income households. It can also be argued that the transactional charges or bureaucratic tendencies associated with the formal channel and the near absence of official channels in the study area could account for the flourishing of the informal channels. The simplicity of the private channel such as little or no documentation could make the channel more attractive to migrants and recipients. Thus, the preference for the unofficial channel to the official channel is as a result of migrants or recipients looking for efficient, cheap and secure means of sending goods or items.

Although the importance of the informal channel cannot be overlooked, some respondents experienced problems with this method of receiving non-cash remittance. A few of the respondents mentioned that friends do not deliver goods on time or items are stolen from friends, making them unreliable. This claim is consistent with studies in Zimbabwe by Maphosa (2004) and Genesis (2003), which reported that informal intermediaries of remitting are exposed to several risks such as theft. A male respondent of this study explained that:

I encountered problems with a migrant friend who was sent to bring foodstuffs and they were stolen. I, therefore, advised my children to bring the items themselves to prevent delays and ensure that the right items are delivered (Ane, IDI)

Some participants, on the other hand, criticized the transport services. They complained about delays and the constant missing of items. Kwonu, a female respondent of this study narrated her experience about the bus service:

I remember some time back I was to pick up some items sent from my daughters; it took a longer time before the goods were delivered to me. When I questioned the bus drivers, I was told they had to pass through other locations before getting to my place. It was annoying and frustrating (Kwonu, IDI)

Kadoa, a female beneficiary also complained about the transport service:

The services provided by these transport companies can be very annoying. I always tell people that these bus services operators cannot be trusted. How can you misplace someone's items entrusted to your care? I wish not to receive my items through them, but there is no other choice. Unless my daughters are returning home during festive periods which takes a longer time. I have to just manage with these drivers (Kadoa, IDI)

Drawing insights from these quotations suggest that although the informal channels are more accessible, cheap and offer flexible modes of receiving non-cash remittances, they can sometimes be inconvenient and frustrating. In particular, the transport service can be subject to delays, sometimes disappointing when one is expecting items within a stipulated time. The important thing is not only to recognize these problems but also find ways to address them to enhance the smooth transfer of items since migrants or recipients find them useful. Finding solutions to these problems may eliminate fear, reduce uncertainty, increase confidence, and trust in these options of receiving or sending items.

Uses of non-cash remittances

Respondents described how non-cash items are a reliable and credible source of remittances for households in the study area. They provide families with their basic needs. All recipients of non-cash remittances mentioned that the items received were for consumption purpose, particularly foodstuffs such as maize, bags of rice, oil, and biscuits. A female participant described that:

You know, without food we cannot survive. We depend on these food items, especially when we cannot afford them by ourselves. My husband and I are retirees, and we no longer have enough money to buy certain food items especially during the lean season when food prices are high (Kane, IDI)

This quotation implies that the food items remitted constitute a vital source of substitutes to cope in the household with harsh farming or economic conditions. For instance, small-scale agricultural harvests may be very little and can barely last till the next season.

Respondents also described how some non-cash items are used for investment or business purposes. A significant number of respondents mentioned the idea of using refrigerators for starting-up businesses or leasing them out to business owners that directly or indirectly generates income for the household. A male respondent explained the benefit of the refrigerator:

The fridge is one most important thing to me. My wife sells iced water which generates us income for our upkeep. With this, we do not have to be depending on our children all the time for support. It helps reduce the pressure on our children and us, especially in the peak season. Not only that, I think engaging in such a venture keeps us busy rather than sitting idle doing nothing as retirees (Wedam, IDI)

Adoa, a male respondent also said that:

My family members who are migrants sent many refrigerators, so I decided to give these out on contract basis for people to run various businesses. At least with this, I get some income to support my family every month. It further tells these family members that, I am not idle, but I try to do something to help myself (Adoa, IDI)

For these respondents, non-cash items such as the refrigerators are income-generating items that enhance their survival needs in the household. Using the fridge for business is, therefore, a sustainable option for their survival as households. It supports families to survive or cope daily in times of adversities. Contrary to the commercial use of the fridge as indicated before, some households use refrigerators for preservation purposes. Kapeh, a female beneficiary of non-cash remittance of this study explains that:

The refrigerator is to help keep household food items fresh and this helps to extend their shelf lives. For instance, without the fridge, some perishable food stuffs such as tomatoes cannot last long. So, in this way I think the fridge helps us a lot (Kapeh, IDI)

For this group of respondents, therefore, the fundamental reason behind the refrigerator being remitted is for preservation purpose. That is, slowing down the activity of bacteria and making food last longer. Items that cannot be preserved in a day or two would also need a refrigerator.

Again, respondents explained that some non-cash remittances serve as tools for communication. The majority of respondents confirmed receiving mobile phones from migrants. This device provides them with the opportunity to communicate with distant relatives, friends and other acquaintances. The mobile phone has improved and expanded their mediums of communication with relatives in destination areas. Kwonu, a female respondent of this study, recounted her experiences of using the mobile phone:

I was always worried in the beginning because I could not talk to anyone far away, but now that I have a phone, I can call anyone at any time I want. I can now sleep without any fear because I can easily call for help from others when I encounter a problem (Kwonu, IDI)

A male respondent also praised the mobile phone for bridging the long-distance gap between his household and family members in destination areas:

Gone are the days when it took people so long to hear from each other. Even with letter writing it took a month or more to hear from relatives. With the mobile phone we can easily talk to our people within the shortest possible time without any difficulty. We can now easily communicate and discuss family matters (Wewurah, IDI)

In the case of these respondents, the mobile phone is a valuable asset in their daily lives. Cell phones provide a comfortable and faster way of communicating within and across geographical boundaries. It has enabled friends and families who are geographically dispersed to communicate despite the distance involved. The barriers, such as the distance that previously separated families and relative migrants have been broken by the mobile phone. People can now communicate from any desired location without difficulty. Horst (2006) underscores that with the emergence of technology, families in sending areas and migrants can easily and continuously communicate in transnational space without difficulty. This assertion is supported by Diminescu (2008) who argues that despite the long distance between migrants and their relatives in destination areas, the inception of information communication technologies such as social media has bridged the distance between them. Thus, mobile phones may be considered the most visible signs of today's interactive society. While this may be inconclusive, it does suggest that the emerging global community has become more interactive through the cell phone than the historical era.

Despite the vital role of the mobile phone, a significant number of respondents complained about challenges associated with this device. For instance, Kapeh, a female respondent complained that:

Now it is very easy to get in touch with relatives and friends because of mobile phones, but one thing annoying is the network. Sometimes the network will not allow you make important calls (Kapeh, IDI)

This extract suggests that whereas mobile phones make relatives and friends very accessible, it can sometimes be frustrating and disappointing using this tool of communication. A sense of frustration is developed when communication is disconnected between migrants and family members.

In seeking further to understand the uses of non-cash remittances, some respondents mentioned entertainment and accessing information. The computers, TV sets and tapes are used for home entertainment purposes. Explaining the use of non-cash remittances, Alice, a female respondent indicated that:

I no longer get bored as I used to because of these gadgets at my disposal especially when everyone is out of the house and I am alone. Not just that, I also get to hear about what is happening in other places in and across Ghana (Alice, IDI)

Whiles Alice talks about using such technological devices for entertainment, she also highlighted that some are sold to generate income for the household. She indicated:

When we realize that we have enough of these items, we sell them to get money that enables us to acquire other necessities. In some situations, we give them out to other families we think cannot afford them (Alice, IDI)

In addition, other forms of non-cash remittances provide materials for the construction of shelters to help protect households and families. A male respondent commented on this as follows:

Migrants regularly send building materials for construction purposes. This happens when we tell them about leakages on the roof and cracks in the walls of the buildings and the need to renovate the building before rainstorms bring them down (Adawe, IDI)

Ane, a male respondent, on the other hand, mentioned the usefulness of second hand and brand-new clothes sent from migrants to his household. He states that:

In a year we receive a lot of clothes and shoes. Some are brand new whiles others are second hand. We use them ourselves and share with other individuals in need, especially people who help us in our farming activities and other forms of support

The preceding discussion suggests that households put non-cash remittances sent home to different uses. First, non-cash remittances are used to satisfy individual consumer needs and the meeting of some social conditions. Secondly, non-cash remittances are used to support some small-scale income-earning businesses in the community, and the most common objective appears to be that, households intend to invest part of these remittances in businesses that directly or indirectly bring income to the family. These findings support the view of De Haan and de Haan (2000) that the majority of remittances are meant to meet the consumption needs of recipient households.

Non-cash remittances and household welfare

While respondents' narratives reveal that migrants often remit non-cash items to families in sending areas, the question is how important are these transfers to the welfare and living conditions of beneficiaries in the study area? The perspectives and experiences of respondents show that non-cash remittances have a positive effect on the welfare and living conditions of households. Almost all the respondents expressed satisfaction for receiving these transfers and regarded them as essential as they provide them with food and other necessities. In the following narrative, Kachana, a female respondent explained that:

Ever since my family members migrated, our living conditions have improved. Foodstuffs are always available throughout the season even when farming does not yield as expected. We hardly buy food stuff and this money is used for other purposes (Kachana, IDI)

A different perspective expressed by other respondents concerning their welfare indicates that non-cash remittances are sources of insurance, which we call 'shock absorbers'. These remittances enabled them to cope in times of hardships. This benefit is captured in the voice of Achana, a male beneficiary of non-cash remittance:

These materials [non-cash remittances] sent to us help with our survival strategies. My wife and I do small farming to keep us active. However, the materials sent to us are of great value. I think relying on only our pension money monthly will not be enough to support us if not for these materials. This is an enormous support to our daily survival (Achana, IDI)

While to some recipients, non-cash remittances provide them with food and insurance, to others, some of these transfers such as shoes and clothes help them improve their appearances. These items make them look appealing, presentable and attractive, and afford them the opportunity to associate with friends in social gatherings. This is captured in the following extract:

I have different sets of clothes I wear to funerals, weddings, church and other social gatherings. This has boosted my appearance and image. I am therefore recognized and consulted when it comes to important issues in the community (Kane, female, IDI)

For this group of respondents, dressing in nice clothes and looking decent elevates their status in the community. Wearing some modern and appropriate clothes for different occasions provides them with the opportunity to affiliate with select groups of elites in society. This is one form of expressing their social status in the community. Thus, non-cash remittances such as clothes and shoes, to some extent, have an influence on recipients' participation in social gathering and activities such as funerals, naming ceremonies and festivals.

The previous discussion suggests that non-cash remittances through migration contribute significantly to the welfare and living conditions of beneficiaries in the study community. Unsurprisingly, the literature underscores that migration plays a crucial role in the living conditions of households in countries of departure (Adams et al., 2008; Mazzucato, 2008). Non-cash remittances may reduce the level of vulnerability to hunger. Households with migrants are more likely to escape harsh socio-economic conditions through these transfers. Importantly, non-cash remittances enable families to meet their basic needs and thus, have a significant effect on their welfare and living conditions in the study area.

Conclusions

This study explored the contribution of non-cash remittances to the welfare of receiving households drawing from the experiences and perspectives of beneficiaries of these transfers in the Kasena-Nankana District in Northern Ghana. The findings reveal that migrants remit non-cash remittances to their places of origin, with the informal channel being the commonly used method for these transfers. Non-cash transfers were in the form of foodstuff, including rice, maize and cooking oil. Others included electronic gadgets comprising TV sets, refrigerators, and mobile phones. While these transfers were used for various purposes, a larger portion of them was for daily consumption, especially food items. In light of the perspectives and experiences of the majority of respondents, these transfers contribute significantly to improving household welfare and living conditions. This suggests a critical need to establish institutional policies to facilitate the flow of non-cash remittances that can be harnessed for development. The findings also underline that remittances comprise not only cash transfers but also non-cash transfers. These findings help dispel the common notion many people hold about remittances being only cash transfers.

Implications of the findings

As one of the very few studies to document the flow of non-cash remittances in Ghana, this study makes a significant contribution to the scant literature on non-cash remittances in Ghana and sub-Saharan Africa. Despite its exploratory nature with small sample size, the perspectives and experiences of the beneficiaries of these transfers will provide policymakers and researchers in Ghana and similar environments in Sub-Saharan Africa with insights on the flow of non-cash transfers and their contribution to household welfare and living conditions. Non-cash remittances merit attention from researchers and policymakers in Ghana and Sub-Saharan Africa in general. This is because these transfers may not only benefit recipients but may also contribute to the socioeconomic development of receiving countries through taxation.

Notes

1. The World Bank calculation is based on data from IMF Balance of Payments Statistics Yearbooks and data releases from central banks, national statistical agencies and World Bank country desks. The dataset for all countries is available at www.worldbank.org/migration. See the Migration and Development Brief, No 21, 2 October 2013.
2. www.un-instraw.org/data/media/documents/md_albania_web.pdf.

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