

LEGON CENTRE FOR INTERNATIONAL AFFAIRS

UNIVERSITY OF GHANA



**THE ROLE OF THE GHANA INVESTMENT PROMOTION CENTRE IN
ATTRACTING AND FACILITATING DIASPORA INVESTMENTS IN**

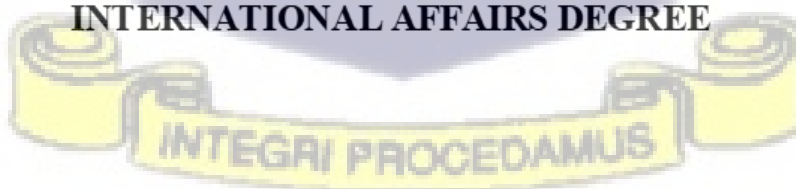
GHANA

BY

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**THIS DISSERTATION IS SUBMITTED TO THE UNIVERSITY OF
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INTERNATIONAL AFFAIRS DEGREE**



NOVEMBER 2024

DECLARATION

I, Selina Afua Asiedu Barbara, hereby declare that with the exception of duly cited references, this dissertation is my original research work conducted under the supervision of Prof/Dr. I further confirm that this work has not been submitted, in whole or in part, for any other degree and is not under consideration for any other academic qualification.



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DEDICATION

This dissertation is dedicated to my late mother, Mrs. Doreen Naana Afriyie Gizo for her prayers and encouragement throughout the period of my study.

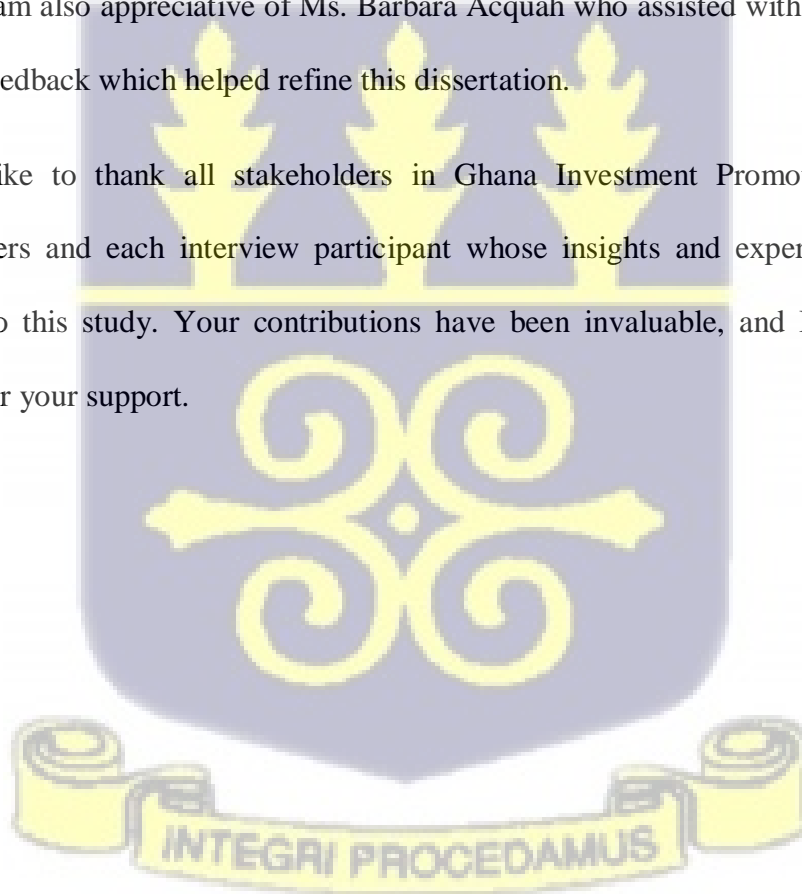


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ABSTRACT

This study examined the role of the Ghana Investment Promotion Centre (GIPC) in attracting and facilitating Diaspora investments in Ghana. Specifically, it sought to examine the strategies currently employed by the GIPC to engage the Ghanaian Diaspora in investment activities, analyzed the challenges faced by the GIPC in attracting and facilitating Diaspora investments, evaluated the impact of Diaspora investments facilitated by the GIPC on Ghana's economic development and identified strategies for enhancing the GIPC's capacity, initiatives, and policies to effectively leverage diaspora resources for national development. The qualitative research approach and research design utilized was exploratory design. The purposive sampling technique was used to select twenty (20) participants. Both primary and secondary data were collected and analyzed with thematic analysis. The study found that GIPC's Diaspora Investment Desk operates within a well-structured, comprehensive, and coordinated policy framework. In the first half of 2022, the desk facilitated approximately 122 investments valued at about US\$874.01 million, surpassing the US\$829.29 million recorded in 2021, an indication of increasing investor confidence in Ghana's business environment. Additionally, in 2022, the World Bank recognized the GIPC as the best government agency in Ghana for investment promotion. The study recommends that GIPC encourage partnerships between Ghanaian businesses and Diaspora investors, as such collaboration can spur increased investment and open opportunities in local-reserved sectors such as the sale of goods and provision of services to support sustainable economic growth.

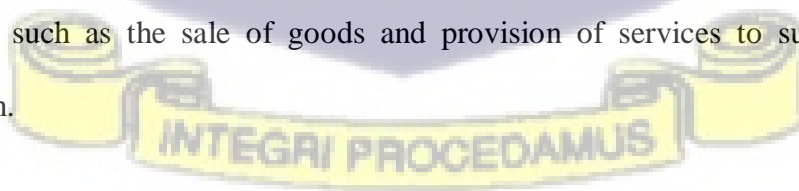


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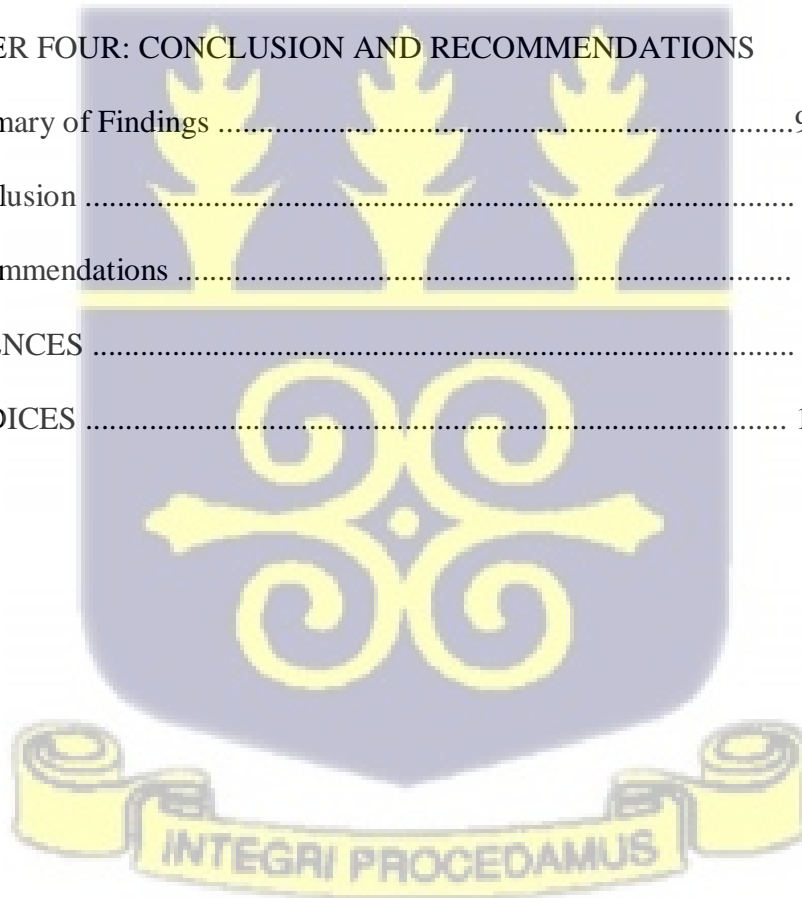
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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The phenomenon of diaspora investment has gained increasing prominence in the context of global economic development, with nations recognizing the immense potential of engaging their diaspora communities for economic growth and sustainability. The concept of diaspora investment has been widely discussed in scholarly literature, emphasizing its multifaceted impact on both source and host countries. According to Singh et al. (2021), diaspora communities possess a distinct advantage in fostering economic ties between their host country and country of origin due to their transnational networks and cultural affinity. Ghana, like many other nations, has recognized the potential of its diaspora in contributing to economic development. As Ankomah et al (2017) highlight, the Ghanaian diaspora is a diverse and dynamic community that has the capacity to play a significant role in the country's economic progress.

Ghana has experienced significant economic growth and development over the past two decades. The country's GDP has grown at an average rate of over 6% per year since 2000, making it one of the fastest growing economies in Africa (Aryeetey & Baah-Boateng, 2016). A major contributor to this growth has been increased foreign direct investment (FDI), which rose from \$185 million in 2000 to over \$3 billion in 2017 (UNCTAD, 2018). One source of FDI that holds great promise for Ghana is investment from its diaspora population - Ghanaians living abroad. It is estimated that there are over 1 million Ghanaians living in the diaspora, predominantly in Europe and North America (Ghana Statistical Service, 2018). Remittances from this diaspora population reached \$3.8 billion in 2017 (World Bank, 2018). However, remittances alone are not enough to drive

economic development; what is needed is direct productive investment that creates jobs and transfers knowledge and technology.

The Ghana Investment Promotion Centre (GIPC) was established by an Act of Parliament in 1994 with the specific mandate to encourage, promote and facilitate investment in all sectors of the Ghanaian economy (GIPC Act, 1994). According to Elo & Riddle (2016), investment promotion agencies like GIPC play a crucial role in facilitating FDI flows, particularly from non-traditional sources such as diaspora populations. As argued by Gamlen (2019), diaspora investors have unique needs and constraints that require tailored policy interventions and targeted facilitation efforts. The GIPC has undertaken several initiatives aimed at attracting diaspora investment, such as diaspora investment summits, capacity building workshops, and the creation of a diaspora desk (GIPC, 2021). However, as noted by Arthur (2016), there has been limited research evaluating the effectiveness and impact of GIPC's diaspora investment promotion efforts in Ghana.

Despite the growing recognition of the importance of diaspora investments, there is a paucity of academic research that specifically examines the role of investment promotion agencies, like the GIPC, in this process. This dissertation aims to fill this gap by critically analyzing the strategies, challenges, and outcomes of the GIPC's efforts in attracting and facilitating diaspora investments in Ghana.

Understanding the role of the Ghana Investment Promotion Centre in diaspora investments is vital for both academic discourse and policy formulation. By exploring the intricacies of this relationship, the research seeks to contribute valuable insights that can inform future strategies for engaging the Ghanaian diaspora in the country's economic development.

1.2 Statement of the Research Problem

Diaspora populations represent a significant potential source of foreign direct investment (FDI) for their countries of origin. As Plaza and Ratha (2011) highlight, diaspora investors possess unique advantages, including cultural ties, language fluency, and market knowledge, which can facilitate successful investment. Studies on the Chinese and Indian diasporas have shown that targeted diaspora investment promotion policies can yield substantial economic benefits (Kale & Little, 2007; Xiang, 2016).

However, mobilizing diaspora investment capital presents several challenges. Tchibinda (2018) argue that diaspora investors require tailored information, incentives, and facilitation to overcome barriers such as perceived risks and bureaucratic obstacles. Similarly, Leblang (2010) emphasizes that effective investment promotion involves not only marketing but also regulatory reform and institutional capacity building.

In Ghana, the Ghana Investment Promotion Centre (GIPC) was established in 1994 to facilitate FDI, including investments from the Ghanaian diaspora, estimated at over one million individuals (Ghana Statistical Service, 2018). The GIPC has implemented initiatives such as diaspora investment summits and targeted incentives (GIPC, 2021). Nevertheless, Obeng (2015) notes that these efforts have been constrained by limited strategies, resources, and expertise tailored to the unique needs of diaspora investors.

There is an absence of formal frameworks for collaboration between the GIPC and other institutions, meaning engagement is often ad hoc, uncoordinated, and informal (Arthur, 2016). This leads to duplication of efforts and inefficiencies in promoting diaspora investments. It is unclear whether GIPC has clearly defined roles and responsibilities for coordinating with other agencies to prevent resource wastage and enhance effectiveness. While GIPC's general investment

promotion activities have been studied, there is a lack of systematic analysis of its diaspora-specific initiatives, including their design, implementation, effectiveness, and impact on investor engagement.

This dissertation seeks to fill these gaps by critically evaluating the role, initiatives, and institutional collaborative mechanisms of the GIPC in attracting and facilitating diaspora investment over the past decade. By analyzing these aspects in relation to effectiveness and investor perspectives, the study provides insights into optimal policies, strategies, and capacity-building measures needed for GIPC to fully leverage the untapped potential of the Ghanaian diaspora as a catalyst for national development. This study seeks to analyze the role of the Ghana Investment Promotion Centre in attracting and facilitating Diaspora investments in Ghana.

1.3 Research Questions

1. How does the Ghana Investment Promotion Centre (GIPC) currently engage with the Ghanaian diaspora to attract and facilitate investments in various sectors of the economy?
2. What are the key challenges faced by the GIPC in its efforts to attract and facilitate diaspora investments?
3. To what extent have the diaspora investments facilitated by the GIPC contributed to the economic development of Ghana?
4. What reforms are needed at GIPC to enhance its role in attracting and facilitating increased diaspora investment?

1.4 Research Objectives

1. To examine the current strategies employed by the GIPC to engage the Ghanaian diaspora in investment activities.

2. To identify and analyse the challenges encountered by the GIPC in its efforts to attract and facilitate diaspora investments.
3. To evaluate the impact of diaspora investments facilitated by the GIPC on the economic development of Ghana
4. To provide recommendations for enhancing GIPC's capacity, strategy and initiatives to effectively leverage diaspora resources for Ghana's development.

1.5 Scope of the Study

This dissertation examined the role of the Ghana Investment Promotion Centre (GIPC) in attracting and facilitating diaspora investments in Ghana. The study primarily investigated the strategies, challenges, and outcomes associated with the GIPC's efforts to engage the Ghanaian diaspora in economic activities. The temporal scope of the study spans from the establishment of the GIPC in 1994 to the present day, with an emphasis on recent years to capture contemporary developments and initiatives.

Geographically, the study was confined to the Republic of Ghana, exploring the dynamics of diaspora investments within the country. While recognizing the global nature of diaspora engagement, the research primarily borders on the interactions between the GIPC and the Ghanaian diaspora, with a focus on understanding how these engagements contribute to the economic development of Ghana.

The study encompassed various sectors of the economy, including but not limited to agriculture, manufacturing, and services. It provided a comprehensive analysis of the GIPC's strategies in attracting diaspora investments across diverse industries. Additionally, the research considered the

multifaceted outcomes of these investments, ranging from job creation and sectoral growth to the promotion of innovation within the Ghanaian economy.

While acknowledging the importance of diaspora remittances, the study narrowed its focus to diaspora investments. Remittances, though significant, fall outside the scope of this research as the primary emphasis was on exploring the role of the GIPC in attracting and facilitating long-term, productive investments from the diaspora community.

In conclusion, the scope of this dissertation is tailored to provide a nuanced understanding of the GIPC's engagement with the Ghanaian diaspora for the purpose of attracting and facilitating investments. By examining specific strategies, challenges, and outcomes, the research aims to contribute valuable insights that can inform policy decisions and academic discourse on diaspora investments in the Ghanaian context.

1.6 Rationale of the Study

The rationale for conducting this study arises from the growing recognition of diaspora investments as a vital catalyst for national economic development across the globe. In an increasingly interconnected world, many countries are actively exploring strategies to leverage the financial, intellectual, and social capital of their diaspora communities to promote sustainable and inclusive growth. For Ghana, the diaspora represents a valuable asset not only through remittances but also through direct investments, entrepreneurial partnerships, and skills transfer across key sectors of the economy.

The Ghana Investment Promotion Centre (GIPC) plays a central role in the nation's efforts to attract foreign direct investment (FDI). In recent years, there has been a notable strategic shift towards positioning the Ghanaian diaspora as a priority investment segment. Despite this growing

emphasis, there remains a significant gap in empirical research that examines how investment promotion agencies—specifically the GIPC—design, implement, and coordinate diaspora-focused investment promotion initiatives.

This study was therefore undertaken to address this critical gap by exploring the strategies, challenges, institutional mechanisms, and outcomes associated with the GIPC’s efforts to attract and facilitate diaspora investments. Diaspora investments are increasingly recognized not only for their financial inflows but also for their ability to deliver skills, innovation, knowledge exchange, and transnational networks that strengthen a country’s economic competitiveness (Antwi et al., 2019). Understanding how the GIPC manages these dynamics is essential for optimizing the economic and developmental benefits of diaspora engagement.

The findings provide evidence-based insights for policymakers on how Ghana can strengthen its national diaspora engagement framework. Specifically, the study highlights areas where policy reform, inter-agency coordination, institutional clarity, and targeted incentives are required to enhance the effectiveness of diaspora investment promotion. By identifying gaps in collaboration, resource allocation, and strategic alignment, the study supports the development of more coherent and impactful national policies on diaspora investment.

For practitioners within the GIPC and related state institutions, the study offers a practical understanding of the operational challenges and capacity needs involved in facilitating diaspora investments. It sheds light on the effectiveness of existing strategies, the responsiveness of institutional arrangements, and areas where service delivery, investor facilitation, and stakeholder collaboration can be improved. The insights generated can guide the enhancement of GIPC’s programs, institutional frameworks, and engagement mechanisms, ultimately improving service quality and investment outcomes.

Academically, the study enriches the limited body of literature on the role of investment promotion agencies in diaspora engagement. While diaspora investment research continues to grow, few studies focus on institutional processes, strategic frameworks, and promotional activities undertaken by agencies like the GIPC. This study fills that gap by providing empirical analysis on how an investment promotion agency mobilizes diaspora capital, builds transnational networks, and navigates cultural affinities and investment barriers (Lowell & Findlay, 2001). It therefore contributes to theoretical and empirical discussions within the fields of development studies, migration studies, and investment promotion.

As Ghana continues to pursue its sustainable development goals and deepen its engagement with its global diaspora, understanding the specific contributions of diaspora investments facilitated by the GIPC becomes critical. By addressing these research gaps, the study advances academic knowledge while simultaneously informing policy and improving institutional practice—ultimately contributing to sustainable national development through effective diaspora engagement.

1.7 Conceptual/Theoretical Framework

The Transnationalism Theory underpinned the study and provided a valuable framework for understanding the intricate web of economic, social, and cultural interactions that transcend national borders, particularly in the context of diaspora investments (Hein de Haas, 2021). And also, it provides a framework for analysing diaspora investment, citizenship and identities.

Transnationalism theory examines how migrants construct and maintain social, economic and political relationships that link their societies of origin and settlement (Hein de Haas, 2021). According to Basch et al. (2020), transnationalism involves "the processes by which immigrants

forge and sustain multi-stranded social relations that link together their societies of origin and settlement". A key aspect of transnationalism is the development of social fields that cross geographic, cultural and political borders. As posited by Carling (2014), transmigrants inhabit "transnational social fields" consisting of dense networks across borders that become integral to their everyday lives. Carling, (2014) explain that these social fields include kinship groups, circuits of capital, political connections and religious affiliations.

Transnational activities encompass economic, political, social and cultural cross-border practices (Carling, 2014). Economic practices involve remittances, investments and business activities linking origin and destination countries. Transnational political engagement includes participation in origin country politics and lobbying host country governments. Transnational social patterns include circular migration and dual residency. Finally, cultural transnationalism entails exchanges of ideas, values and identities (Hein de Haas, 2021). According to Carling, (2014), transnational spaces emerge through the combined forces of capital expansion and migrant networks. He argues that transnationalism represents the expansion and intensification of cross-border networks and activities that makes the lives of migrants increasingly bi-national. Waldinger (2015) posits that transnationalism provides connections, recognition and resources that improve migrants' adaptation and status.

According to Carling, (2014), transnationalism emphasizes the simultaneous existence of social fields that extend across borders, allowing for the sustained and dynamic connections between diaspora communities and their homelands. In the case of the Ghanaian diaspora, transnationalism theory can be employed to analyze the ways in which individuals maintain economic linkages with Ghana, not only through remittances but also through direct investments facilitated by entities like the Ghana Investment Promotion Centre (GIPC).

Transnational networks play a crucial role in diaspora investments, as argued by Carling (2014), that these networks serve as conduits for information, resources, and opportunities, fostering economic activities in both the host and home countries. In the Ghanaian context, transnational networks can elucidate how the GIPC collaborates with diaspora networks to attract investments, tapping into the diverse skills and expertise possessed by the diaspora community.

The cultural dimension of transnationalism is significant, as noted by Hein de Haas (2021) that cultural affinity and identity are central to understanding the motivations behind transnational practices. In the case of diaspora investments in Ghana, the theory allows for an exploration of how cultural ties influence investment decisions, shaping the sectors diaspora investors choose to engage with through the GIPC's initiatives. Moreover, transnationalism theory aligns with the notion of "dual engagement," as proposed by Levitt and Lamba (2011). They argue that diaspora individuals often engage in activities that simultaneously benefit both their host and home countries. This dual engagement is pertinent to understanding the mutual gains that can arise from diaspora investments in Ghana, shedding light on how the GIPC's efforts contribute not only to the development of the home country but also to the economic growth and diversification of the diaspora's host countries.

Despite its significant contributions to understanding the dynamics of diaspora engagement, the Transnationalism Theory has faced criticism on several fronts. One primary critique revolves around the tendency of the theory to oversimplify the complexities of transnational experiences. Critics argue that transnationalism tends to homogenize the diverse nature of diaspora communities, overlooking variations in experiences, motivations, and engagement patterns among individuals and groups (Hein de Haas, 2021)). Additionally, some scholars argue that the theory may not adequately address power differentials between diaspora communities and their home

countries. Critics contend that transnational practices are often influenced by unequal power dynamics, with the diaspora sometimes positioned as agents reinforcing global inequalities (Faist, Fauser, & Reisenauer, 2013). Furthermore, the theory has been accused of underestimating the impact of state policies and global economic structures on transnational activities, potentially neglecting the constraints and opportunities imposed by broader geopolitical forces (Bauböck & Faist, 2010). While transnationalism remains a valuable analytical tool, these critiques highlight the need for a nuanced understanding that acknowledges the diversity and power dynamics inherent in diaspora engagements.

In summary, the transnationalism theory applied in this dissertation offers a robust framework for understanding the complex dynamics of diaspora investments facilitated by the Ghana Investment Promotion Centre. This aided the study by understanding who transnational networks, cultural affinity, and dual engagement, this theoretical perspective illuminates the reciprocal and evolving economic relationships between the Ghanaian diaspora and Ghana.

1.8 Literature Review

The literature review for this study will encompass the following themes to provide a comprehensive understanding of the subject.

1.8.1 Diaspora Engagement and Economic Development

Scholars have documented a range of mechanisms through which diasporas contribute to development: remittances, direct and portfolio investments, entrepreneurship and job creation, and the transfer of skills, knowledge and networks (Riddle & Naim, 2016; Newland, Tanaka & Barker, 2016). Taken together, these channels suggest that diaspora populations are not merely sources of

private transfers but can function as multi-faceted development agents when appropriately mobilized.

Remittances remain the most visible and extensively studied channel of diaspora contribution. Multiple studies observe that remittance flows frequently exceed official development assistance and can provide important consumption smoothing, poverty reduction and human-capital outcomes at the household level (Davies, 2021; Riddle & Naim, 2016). However, several authors caution that remittances alone are likely to produce short-term welfare effects unless complemented by mechanisms that convert these flows into longer-term productive investment (Davies, 2021; Åkesson, Eriksson Baaz & Sylvester, 2019). In other words, remittances can mitigate immediate economic hardship but are not a substitute for sustained capital formation and structural transformation.

Closely related to remittances, diaspora investments whether in the form of direct equity, project finance, or diaspora-tailored financial instruments have been highlighted as a potentially transformative source of foreign capital (Cummings & Ogunro, 2017; Ionescu, 2023). Diaspora investors often possess unique advantages relative to other foreign investors: cultural affinity, local knowledge, language skills, and social networks that reduce informational frictions and perceived risk (Cummings & Ogunro, 2017; Adewumi & Boateng, 2024). These attributes can produce a signaling effect that attracts further external investment, amplifying the developmental impact of initial diaspora capital (Ionescu, 2023).

Beyond financial flows, diasporas contribute to development through knowledge and technology transfers. Empirical work on skilled transnational communities demonstrates how professional networks — for example, tech entrepreneurs and engineers based in innovation hubs — can catalyze start-ups, incubate new firms, and introduce managerial and technological know-how in

the homeland (Meyer & Brown, 2018; Brinkerhoff, 2019). Brinkerhoff (2019) further emphasizes the role of digital platforms and “digital diasporas” in lowering coordination costs and enabling continuous collaboration between expatriates and domestic actors. These knowledge linkages are particularly valuable for sectors requiring specialized skills (e.g., ICT, healthcare, finance), and they complement capital flows by increasing absorptive capacity within domestic firms.

A recurring theme in the literature is the centrality of government policy and institutional design in translating potential diaspora into measurable development outcomes. Newland, Tanaka and Barker (2016) and Kleist (2020) argue that deliberate diaspora outreach strategies, dedicated diaspora offices, and diaspora-friendly regulatory frameworks are essential to reduce informational barriers and foster trust. Setrana and Tonah (2022) and IOM (2024) underline that well-designed incentives and financial vehicles targeted at diaspora investors can substantially lower transaction costs and crowd in private capital. Conversely, weak institutional coordination, bureaucratic red tape, and unclear roles across agencies undermine diaspora mobilization and lead to fragmented outcomes (Newland et al., 2016; Setrana & Tonah, 2022).

Several studies also highlight the heterogeneity of diaspora actors and the need for segmentation in policy approaches (Minto-Coy & Elo, 2021; Gamlen, 2018). Not all diaspora members are equally likely to invest differences in skills, wealth, time horizon, and emotional attachment to the homeland shape investment propensity and preferred instruments. Hence, policy instruments that work for high-net-worth diaspora investors (e.g., securitized diaspora bonds, equity participation) may be ill-suited for lower-income migrant communities who respond better to matched-savings schemes or diaspora microfinance initiatives (Minto-Coy & Elo, 2021).

While the evidence based on diaspora contributions has grown substantially between 2016 and 2024, scholars point to persistent gaps. Ionescu (2023) and Nwankwo & Gbolagade (2023) note a

need for more rigorous, comparative evaluations of different policy models to identify best-practice institutional arrangements. Empirical studies often focus on aggregate remittance impacts or case studies of entrepreneurial success, leaving the mediating role of investment-promotion agencies under-examined. This gap is particularly relevant for countries like Ghana where institutions such as the Ghana Investment Promotion Centre (GIPC) claim an active role in diaspora engagement but where systematic evidence about design, inter-agency coordination, and effectiveness remains thin (Setrana & Tonah, 2022; Adewumi & Boateng, 2024).

In summary, the recent literature presents a cautiously optimistic picture: diaspora engagement can meaningfully contribute to economic development through multiple channels, but realizing that potential depends heavily on institutional readiness, targeted policy design, and segmentation of diaspora audiences. Literature therefore underscores the importance of studying not only diaspora behaviors but also the institutional mechanisms — such as investment-promotion agencies and dedicated diaspora units — that mediate and amplify diaspora contributions to development.

1.8.2 Investment Promotion Agencies and Strategies

The relationship between a nation's diaspora and its economic development has become a significant area of study and policy focus, particularly within the last decade. Research highlights the multifaceted ways in which emigrant populations contribute to their home countries, moving well beyond the traditional focus on financial remittances to encompass knowledge transfer, investment, and policy advocacy (World Bank, 2016).

Early studies in the field established the critical baseline role of remittances. These private financial flows often surpass official development aid in volume and provide essential support for household consumption, education, and health expenditures in low- and middle-income countries

(Gnimassoun & Anyanwu, 2019). The World Bank (2016) has consistently documented these flows, framing them as a stable, counter-cyclical source of foreign exchange that helps stabilize national economies.

More contemporary literature expands the scope of engagement, emphasizing the need for structured government policies to leverage these connections effectively. The International Organization for Migration (IOM) and various academic bodies stress that spontaneous, organic engagement can be bolstered by strategic policy frameworks. IOM (2014, 2021) reports on various regional contexts, such as the Economic Community of West African States (ECOWAS), illustrate the necessity of intentional government strategies to move from mere remittance receipt to integrated development partnerships. Effective policy frameworks, as explored by McLean (2024) in the MENA region context, require coordination, data collection on diaspora skills, and creation of an enabling environment for investment.

A key shift in the 2016–2024 literature is the focus on knowledge and skill transfer (often termed "brain gain" initiatives) and productive investment channels. Academic research points to the significant positive impact skilled emigrants can have on per capita income when mechanisms for virtual or physical return are facilitated (Gnimassoun & Anyanwu, 2019). Studies investigate the mechanisms through which diaspora members can invest formally in national development projects, such as infrastructure bonds, real estate funds, and direct entrepreneurial ventures (Iloh, Igonoh, & Onyia, 2024).

The consensus across recent literature is that effective diaspora engagement is not a passive process of receiving funds but an active development strategy. It requires robust governmental and institutional infrastructure that acknowledges the diaspora as a vital and unique stakeholder in national planning (World Bank Group & KNOMAD, 2024).

However, several researchers note the mixed performance and capabilities of IPAs in many developing countries. Limited financial and human resources as key institutional constraints. emphasize the need for strategic focus and staff professionalization for IPA effectiveness. According to Bernstein and Okello (2019), many African IPAs still concentrate on generic investment promotion rather than targeted, results-based strategies. Further research is needed on how developing country IPAs can strengthen organizational capacity for attracting and facilitating investments from their diaspora populations.

1.8.3 Transnationalism and Diaspora Investments

Understanding the potential for diaspora investment requires an examination of the transnational ties, attachments, and networks that motivate cross-border economic activities. Transnationalism and diaspora theory frameworks offer insights into how immigrants maintain relationships with their countries of origin while participating economically, socially, and culturally in their host societies (Gnimassoun & Anyanwu, 2019; IOM, 2014).

Transnationalism involves sustained cross-border relationships and dual participation in origin and destination countries. According to the International Organization for Migration (IOM, 2021), such transnational practices often reflect a “bifocality of interests,” in which diaspora members simultaneously pursue personal, familial, and economic goals across multiple geographies. This dual engagement creates fertile conditions for transnational entrepreneurship, where diaspora actors leverage their position to exploit opportunities unavailable to purely domestic or foreign investors (Iloh, Igonoh, & Onyia, 2024; McLean, 2024).

Within diaspora populations, several studies highlight the role of identity, belonging, and emotional attachment in shaping investment behaviors. Gnimassoun and Anyanwu (2019) argue

that strong place identity and enduring familial ties encourage investment in the country of origin. Similarly, the World Bank (2016) and World Bank Group & KNOMAD (2024) note that diasporas balance cultural allegiance to their homeland with assimilation pressures in the host country, creating hybrid identities that can be leveraged to navigate cross-border economic opportunities effectively. McLean (2024) further suggests that dual cultural and business networks allow diaspora members to identify investment prospects, reduce transaction costs, and build trust with local partners, giving them distinct advantages over other foreign investors.

However, not all diaspora members actively engage in transnational practices or investments. Ong'ayo (2019) observes that engagement varies significantly depending on individual motivations, socio-economic capacity, and the regulatory and institutional environments in both sending and receiving countries. IOM (2021) emphasizes that governments and institutions seeking diaspora investment must therefore design formal initiatives, incentives, and engagement strategies that nurture meaningful transnational ties. Policies that facilitate diaspora participation—such as dedicated diaspora offices, diaspora bonds, investment promotion events, and streamlined regulatory processes—can strengthen trust, lower barriers to investment, and channel diaspora resources toward priority development sectors (Iloh et al., 2024; Gnimassoun & Anyanwu, 2019).

In summary, transnationalism and diaspora frameworks demonstrate that hybrid identities, cross-border networks, and dual embeddedness position diaspora populations as strategic actors for investment and development. Effective engagement, however, requires institutional commitment, clear policy frameworks, and structured mechanisms that transform diaspora potential into tangible economic contributions in the country of origin.

1.8.4 Ghanaian Diaspora

Ghana maintains a large and economically influential diaspora population, estimated at approximately three million globally (Adewumi & Boateng, 2024). The largest Ghanaian communities are located in the United Kingdom and the United States, with significant populations also residing in Germany, Italy, Canada, and the Netherlands. These diaspora communities maintain both social and economic linkages with Ghana, positioning them as potential drivers of investment, knowledge transfer, and development.

Empirical studies highlight the multiple ways in which the Ghanaian diaspora contributes to national development. Diaspora financial flows, including remittances, constitute a critical source of capital for households, small enterprises, and local development projects (Antwi, Osei, & Frempong, 2019; Åkesson, Eriksson Baaz, & Sylvester, 2019; Davies, 2021). Beyond remittances, diaspora entrepreneurs leverage transnational networks to establish businesses and engage in trade, thereby fostering productive investment and stimulating economic growth (Cummings & Ogunro, 2017; Minto-Coy & Elo, 2021). Brinkerhoff (2019) further emphasizes the role of digital platforms in enabling diaspora members to maintain continuous economic engagement and collaboration with stakeholders in Ghana, reflecting a broader trend of digitally mediated transnational entrepreneurship.

Despite these positive contributions, several challenges constrain the full potential of Ghanaian diaspora investments. Barriers such as inadequate infrastructure, administrative bottlenecks, corruption, and limited access to finance hinder large-scale investment and entrepreneurial activity (Setrana & Tonah, 2022; Ionescu, 2023; Nwankwo & Gbolagade, 2023). Additionally, diaspora initiatives often remain focused on small-scale projects and community-level interventions, which,

while beneficial, do not fully capitalize on the strategic potential of diaspora resources for national economic transformation (Newland, Tanaka, & Barker, 2016; Riddle & Naim, 2016).

Policy and institutional support for diaspora engagement in Ghana has improved in recent years. Specialized bodies such as the Diaspora Affairs Bureau under the Ministry of Foreign Affairs and the Diaspora Investments Desk at the GIPC have been established to facilitate investment and formalize engagement mechanisms (Adewumi & Boateng, 2024; Setrana & Tonah, 2022). These initiatives aim to provide structured platforms for resource mobilization, investment promotion, and knowledge transfer. However, the effectiveness of these institutions remains underexplored, representing a critical gap in understanding how Ghana can strategically leverage its diaspora for sustainable development (Gamlen, 2018; Kleist, 2020; Meyer & Brown, 2018).

In summary, the Ghanaian diaspora constitutes a significant yet underutilized resource for national economic and social development. While contributions through remittances, entrepreneurship, and community projects are substantial, structural, policy, and institutional constraints limit the scale and impact of diaspora engagement. Strengthening formal engagement mechanisms, addressing investment barriers, and leveraging transnational networks are essential steps for transforming diaspora potential into tangible economic outcomes for Ghana (IOM, 2024; Nwankwo & Gbolagade, 2023).

1.8.5 Potential Areas of Diaspora Investment

A growing body of literature explores the various sectors and mechanisms through which diaspora members contribute to economic development (African Development Bank Group, 2013). Recent scholarship indicates that diaspora capital is increasingly mobilized beyond remittances, with investors channeling resources, expertise, and networks into long-term, development-oriented

projects across Africa. Singh, Henry, and Hoover (2021) argue that the African diaspora contributes not only through remittances but also via direct investment, entrepreneurship, knowledge transfer, and networking, transforming sectors such as fintech, agriculture, real estate, and the creative industries.

Acquisition and development of real estate constitute some of the most common and substantial diaspora investments in their home countries (Elo & Riddle, 2016), including plans for retirement, providing housing for families, or generating rental income. While some investments are small-scale, others target larger commercial or multi-unit residential developments. The literature suggests that this sector has potential for formalization through targeted financial products such as mortgages, although access to credit remains a challenge.

A key mechanism for this is the issuance of diaspora bonds by governments and financial institutions, designed specifically to attract diaspora investment (Tchibinda, 2018). These bonds enable collective investment in public infrastructure, including roads, housing, and social amenities, and offer a structured way to mobilize significant capital for national development strategies (African Development Bank Group, 2013; Singh, Henry, & Hoover, 2021).

Remittances, which form a large portion of diaspora financial contributions, are frequently invested in informal and Micro, Small, and Medium Enterprises sectors through family and social networks (Tchibinda, 2018). These contributions often have a strong multiplier effect, particularly when directed towards household and small-business investments, providing a foundation for sustainable poverty reduction (African Development Bank Group, 2013). Diaspora direct investment, encompassing both formal and informal channels, serves as a vital source of capital for self-employed individuals, small partnerships, and unregistered businesses, supporting local economic growth and job creation.

Diaspora members play a crucial role in developing vibrant startup ecosystems in their countries of origin. With international exposure and access to diverse resources, diaspora entrepreneurs act as “interweavers,” enriching local startup environments with capital, best practices, and modern technologies (Singh, Henry, & Hoover, 2021). Compared to traditional FDI, where foreign investors may be less inclined to share knowledge, diaspora investors often demonstrate greater commitment to the long-term development of local business ecosystems (Tchibinda, 2018). This commitment, rooted in emotional and cultural ties, can foster resilience during challenging economic conditions.

While much diaspora investment occurs informally, there is growing interest in formalized investment vehicles to attract more substantial and passive capital. Diaspora portfolio investment products include diaspora mutual funds, equity in local companies, and specialized sovereign bonds (Asquith & Opoku-Owusu, 2020). These instruments, designed for a range of investor profiles with varying risk tolerance, require trust in the issuing institutions and a robust policy and business environment. Collective investment clubs and angel networks among diaspora members are also emerging as mechanisms to pool resources and diversify investment portfolios.

1.8.6 Challenges and Opportunities in Diaspora Investments

Diaspora populations represent significant potential for economic development in their countries of origin. However, successfully facilitating diaspora investment involves navigating a number of structural, informational, and socio-economic challenges (Adewumi & Boateng, 2024; Ionescu, 2023).

One of the primary obstacles is geographic distance, which limits diaspora investors’ familiarity with the local business environment, regulatory systems, and market dynamics (Cummings &

Ogunro, 2017; Antwi, Osei, & Frempong, 2019). Many diaspora members also lack the entrepreneurial skills, financial resources, or local networks required to undertake substantial investments or establish formal enterprises (Brinkerhoff, 2019; Minto-Coy & Elo, 2021). Political instability, economic volatility, and policy unpredictability in origin countries can further dissuade risk-averse diaspora investors from committing significant capital (Setrana & Tonah, 2022; IOM, 2024).

Despite these challenges, the literature suggests practical strategies to enhance diaspora investment. Effective diaspora engagement agencies can provide critical market information, investment facilitation services, and partnership support to mitigate knowledge gaps and reduce perceived risks for potential investors (Newland, Tanaka, & Barker, 2016; Gamlen, 2018). Targeted financial vehicles, such as diaspora bonds, pooled investment funds, or venture capital mechanisms, can aggregate smaller individual contributions into larger, viable investments (Davies, 2021; Ionescu, 2023). Moreover, establishing two-way communication channels between governments and diaspora communities ensures that investment opportunities are responsive to diaspora needs and expectations, while fostering trust and accountability (Kleist, 2020; Nwankwo & Gbolagade, 2023).

While challenges persist, diaspora investors possess unique advantages that can be leveraged. Emotional attachment, cultural identity, and a sense of belonging often increase their tolerance for investment risk compared to other foreign investors (Åkesson, Eriksson Baaz, & Sylvester, 2019; Riddle & Naim, 2016). Diasporas are also positioned to facilitate knowledge and technology transfer, introducing innovations, skills, and business practices that may otherwise not reach origin countries, thus creating a multiplier effect on development outcomes (Meyer & Brown, 2018; Brinkerhoff, 2019).

In summary, realizing the full potential of diaspora investment requires proactive policies and institutional mechanisms to overcome informational, financial, and contextual barriers. At the same time, governments and investment promotion agencies must capitalize on the intrinsic commitment, cross-border networks, and transnational capabilities of diaspora populations. Further research is needed to evaluate the effectiveness of specific diaspora engagement strategies and institutional frameworks in promoting sustainable investments across developing countries, particularly in African contexts (Adewumi & Boateng, 2024).

1.8.7 Economic Impact Assessment

Assessing the economic impacts of diaspora engagement policies and programs is a critical area of research for understanding the value and effectiveness of investment promotion initiatives. As noted by Setrana and Tonah (2022), rigorous impact evaluations are essential not only to justify the costs of diaspora-targeted programs but also to identify best practices that maximize development returns. Such assessments help policymakers determine whether institutional interventions translate into measurable economic outcomes, including foreign direct investment (FDI), employment generation, and productivity gains.

Some studies have evaluated the returns on broader investment promotion spending. For instance, Crescenzi et al. (2021) employ firm-level data to estimate the FDI gains associated with investment promotion agency (IPA) budgets across European countries and develop evaluative frameworks linking IPA activities to foreign investment flows. However, these studies highlight persistent challenges in isolating the specific effects of IPA efforts from broader locational and macroeconomic factors, such as market size, infrastructure, and regulatory environments.

In the context of diaspora initiatives, research indicates that most policies lack clear performance benchmarks or metrics. Gamlen (2019) observes that many diaspora programs adopt a “spray and pray” approach, with limited targeting, accountability, or systematic evaluation. Similarly, Siegel and Lücke (2018) argue that rigorous impact analysis requires counterfactual evaluation designs, longitudinal tracking, and data collection mechanisms that allow for comparisons between engaged and non-engaged diaspora populations. Without such designs, it remains difficult to determine the precise causal effects of diaspora engagement on investment flows or broader economic outcomes.

Empirical examples of diaspora-focused research include studies that employ event-study methodologies to measure investment responses following policy announcements, or differences-in-differences approaches to estimate the effects of specific tax incentives or diaspora-targeted investment schemes. These methods provide insights into short-term behavioral responses of diaspora investors. Yet, as noted by Ionescu (2023) and Adewumi and Boateng (2024), there remains limited systematic evidence quantifying the economic returns of IPA diaspora investment facilitation across diverse country contexts, particularly in African emerging markets.

While diaspora engagement holds substantial promises for economic development, understanding its true impact requires rigorous, methodologically sound assessments. There is a clear need for structured data collection, performance metrics, and evaluative frameworks that can capture both direct investment outcomes and broader developmental spillovers. Such analyses are vital for informing policy design, resource allocation, and institutional strategies aimed at leveraging diaspora capital effectively.

1.8.8 Case Studies and Best Practices

Examining case studies and best practices in diaspora engagement offer valuable lessons for policymakers and investment promotion agencies (IPAs) seeking to mobilize diaspora resources effectively. Empirical evidence demonstrates that structured, targeted, and well-resourced initiatives can significantly enhance diaspora participation in national development.

Several countries have implemented innovative approaches to diaspora investment promotion. China has established overseas investment promotion offices under its International Promotion Agency, which strategically target Chinese diaspora networks to channel foreign direct investment back into the country (Newland, Tanaka, & Barker, 2016). Israel's diaspora bonds program effectively leveraged Jewish identity and transnational ties, raising over \$25 billion in development financing for infrastructure, defense, and social programs (Gamlen, 2018). In Africa, Kenya's Investment Authority holds annual diaspora conferences designed to connect expatriate investors with domestic business opportunities, combining networking, informational support, and facilitation services to stimulate investment (Cummings & Ogunro, 2017).

Despite these successes, many diaspora institutions face significant implementation challenges. Gamlen (2019) observes that Armenia's Ministry of Diaspora struggled to establish trust and incentivize investment among Armenian emigrants, resulting in low engagement and limited financial impact. Similarly, Rwanda's investment outreach initiatives have been criticized for lacking sectoral focus and failing to provide concrete support mechanisms such as market intelligence, financial facilitation, or legal advisory services for diaspora investors (Ionescu, 2023). These shortcomings highlight that institutional presence alone is insufficient; effective diaspora engagement requires coherent strategy, adequate resources, and tailored programming.

Comparative analysis of successful initiatives reveals several key best practices. First, understanding diaspora motivation ranging from emotional and cultural ties to economic

opportunity—is critical for designing effective engagement strategies (Minto-Coy & Elo, 2021; Adewumi & Boateng, 2024). Second, providing accurate and timely market information, investment facilitation, and advisory support can bridge knowledge gaps and reduce perceived risks (Antwi, Osei, & Frempong, 2019; Brinkerhoff, 2019). Third, partnering with diaspora organizations, hometown associations, and professional networks enhances outreach, trust, and co-investment opportunities (Kleist, 2020; Newland et al., 2016). Finally, offering tailored financial instruments—such as diaspora bonds, pooled investment funds, or diaspora-targeted venture capital—can mobilize capital at a scale beyond individual contributions (Davies, 2021).

These case studies illustrate that the effectiveness of diaspora investment initiatives depends on a combination of strategic planning, institutional capacity, and culturally informed engagement. Further comparative research is necessary to understand why some IPAs succeed in translating diaspora identity into tangible investment outcomes while others fail, providing actionable insights for countries like Ghana seeking to leverage their diaspora for sustainable economic development.

1.8.9 Communication and Collaboration in Diaspora Engagement

Effective communication and collaboration are widely recognized as critical enablers for productive diaspora engagement. Regular two-way communication between governments and diaspora communities allows state institutions to better understand diaspora perceptions, needs, and expectations, while simultaneously increasing diaspora awareness of investment policies and opportunities (Gamlen, 2018). Both formal state initiatives, such as policy briefings and investment promotion programs, and informal cultural events play important roles in sustaining connections with diaspora populations. Developing trust-based relationships through these

channels can convert diaspora identity, loyalty, and emotional attachment into actionable investment commitments (Brinkerhoff, 2016).

Collaboration with non-governmental diaspora organizations is another key element in successful diaspora engagement. Scholars emphasize the importance of building the capacity of diaspora organizations to participate meaningfully in development policymaking and investment initiatives. For example, studies on the Philippines demonstrate how hometown associations (HTAs) amplified government outreach efforts by leveraging localized knowledge and social networks to facilitate diaspora contributions (Brinkerhoff, 2016). Partnerships with diaspora business networks and entrepreneurship associations further enhance engagement by providing structured channels for investment, mentoring, and knowledge transfer (Minto-Coy & Elo, 2021).

Despite these opportunities, challenges persist in identifying, coordinating, and legitimizing relevant diaspora partners. Gamlen (2019) cautions that self-proclaimed diaspora leaders may lack legitimacy or meaningful connections within the broader diaspora community. Additionally, informal diaspora organizations often face capacity constraints, particularly in management, governance, and strategic planning, limiting their ability to collaborate effectively with government agencies. These asymmetries between state institutions and diaspora organizations underscore the need for further research into mechanisms that facilitate joint initiatives, strengthen institutional coordination, and optimize the mobilization of diaspora resources (Brinkerhoff, 2016; Adewumi & Boateng, 2024).

However, challenges remain in identifying and coordinating with relevant diaspora partners. Gamlen (2019) cautions that self-proclaimed diaspora leaders may sometimes lack legitimacy or meaningful connections. notes that informal diaspora organizations often lack management capacity compared to government agencies. Further research is needed on how state institutions

and diaspora organizations navigate asymmetries and build joint initiatives tailored to mobilizing diaspora resources (Brinkerhoff, 2016).

In summary, communication and collaboration are foundational to effective diaspora engagement. Strategic, trust-based interactions and partnerships with credible diaspora organizations enhance the potential for investment and knowledge transfer, while addressing structural and capacity-related barriers ensures that diaspora contributions are aligned with national development priorities.

1.8.10 Globalization and Economic Dependency

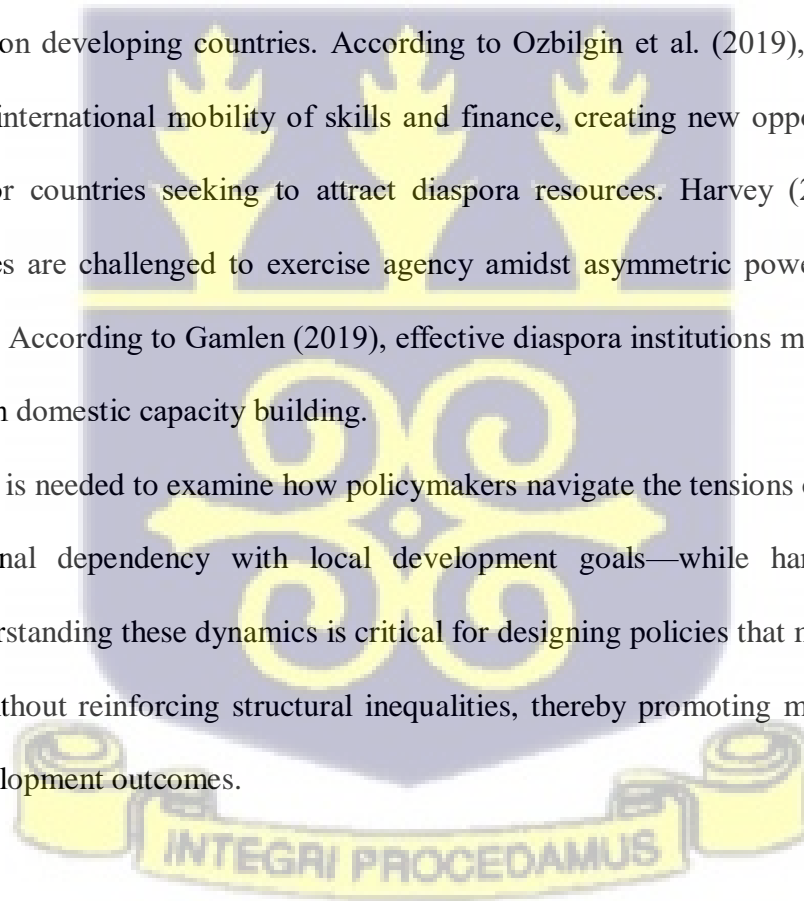
Integration into global capitalism has been critiqued by several scholars for perpetuating postcolonial economic patterns, often reinforcing asymmetrical development between the Global North and South. Some argue that diaspora remittances and investments may inadvertently reinscribe global inequalities, as the economic benefits of transnational activities are often captured disproportionately by diaspora actors or external investors rather than local populations in origin countries (Åkesson, Eriksson Baaz, & Sylvester, 2019; Gamlen, 2018). In this view, diaspora flows can function as instruments of dependency, sustaining structural imbalances rather than promoting transformative development.

However, alternative perspectives emphasize the agency of diasporas in challenging these neo-imperialist structures. Diaspora actors can act as catalysts for local development by initiating grassroots projects, social enterprises, and knowledge transfer activities that empower communities in origin countries (Brinkerhoff, 2019; Meyer & Brown, 2018). Such initiatives demonstrate the capacity of diasporas to leverage transnational networks not only for personal or family benefit but also to create broader social and economic impact.

From a policy perspective, scholars advocate for strategies that strategically channel diaspora resources toward long-term development priorities rather than treating them as ad hoc or short-term injections of capital (Adewumi & Boateng, 2024; Ionescu, 2023). By aligning diaspora engagement with national development agendas, origin countries can enhance the sustainability and effectiveness of diaspora contributions. Diaspora connections, when effectively managed, may also provide developing states with a form of “global sovereignty,” enabling them to negotiate economic and political relationships in the context of asymmetrical interdependence (Gamlen, 2018; Kleist, 2020).

Diaspora engagement strategies must be considered within the broader context of globalization and its impacts on developing countries. According to Ozbilgin et al. (2019), globalization has accelerated the international mobility of skills and finance, creating new opportunities but also dependencies for countries seeking to attract diaspora resources. Harvey (2018) argues that developing states are challenged to exercise agency amidst asymmetric power relations in the global economy. According to Gamlen (2019), effective diaspora institutions must balance global engagement with domestic capacity building.

Further research is needed to examine how policymakers navigate the tensions of globalization—balancing external dependency with local development goals—while harnessing diaspora resources. Understanding these dynamics is critical for designing policies that maximize diaspora contributions without reinforcing structural inequalities, thereby promoting more equitable and sustainable development outcomes.



1.9 Research Methodology

1.9.1 Methodology

The overview of the subsection is the research approach, design, study area, population, sampling procedure, sample size, data collection method, Data Analysis and presentation and ethical considerations for the study.

1.9.2 Research Approach

The dissertation adopted a qualitative research approach. Qualitative research enables the exploration of meanings that individuals or groups assign to social problems from their own perspectives (Creswell, 2018). This approach was appropriate because it allowed the researcher to enquire deeply into participants' experiences, perceptions, and behaviors regarding the role of the Ghana Investment Promotion Centre (GIPC) in attracting and facilitating diaspora investments.

The strength of the qualitative design lies in its ability to generate rich, detailed, and contextualized data. However, a major limitation was that inadequate observation or poor data collection procedures could compromise the accuracy of findings (Creswell, 2018). To address this, the study was carefully framed around open-ended questions, allowing participants to freely express their views.

As Maxwell (2015) notes, qualitative procedures are characterized by the active role of the researcher, systematic data collection and analysis, and strategies to ensure validity and credibility. In this study, these characteristics guided the research process to ensure a rigorous inquiry. Furthermore, the qualitative approach enabled triangulation of data from multiple sources, thereby enhancing the overall validity and reliability of the findings (Creswell & Creswell, 2017). This made the chosen approach suitable for developing a comprehensive understanding of how the GIPC engages the Ghanaian diaspora in investment activities.

1.9.3 Research Design

The study employed primarily exploratory and explanatory research design. The exploratory component focused on conducting an in-depth review of existing literature on diaspora investments, investment promotion practices, and the broader role of investment facilitation agencies. This helped to build a foundational understanding of the key concepts and issues relevant to the Ghana Investment Promotion Centre's (GIPC) engagement with the diaspora.

An explanatory dimension was also incorporated, involving the collection and analysis of empirical qualitative data to test, refine, and contextualize these theoretical perspectives within the specific operational environment of the GIPC (Creswell & Creswell, 2017).

The exploratory research design guided the systematic collection, analysis, interpretation, and reporting of data. As a procedural framework, it provided structure for conducting the study and helped shape the logical processes used to interpret the findings. Creswell (2018) emphasizes that the choice of exploratory design assisted the researcher in determining the specific steps best suited for addressing the research objectives.

Overall, the design ensured that the study was grounded in both existing knowledge and real-world insights, allowing for a comprehensive understanding of the GIPC's strategies and challenges in facilitating diaspora investment.

1.9.4 Study Area

The study focused on Ghana as the primary research area, considering the activities and initiatives of the Ghana Investment Promotion Centre in engaging the Ghanaian diaspora for investments. This geographical focus allowed for a concentrated analysis of the specific strategies and outcomes in the Ghanaian context.

1.9.5 Research Population

The research population is defined as the complete set of elements or individuals that share specific characteristics from which a sample is drawn for a study (Bryman, 2018). Such characteristics may include gender, age, educational background, occupation, and other demographic or experiential attributes relevant to addressing the research questions.

For this study, the research population comprised two key groups. The first group included members of the Ghanaian diaspora who have engaged with the Ghana Investment Promotion Centre (GIPC) for investment purposes. The second group consisted of stakeholders within the GIPC, such as officials, policymakers, and departmental representatives involved in investment facilitation and diaspora engagement.

The inclusion of these groups aligned with the overall aim of the study, which sought to capture the perspectives, experiences, and interactions of both the diaspora and GIPC officials in the context of promoting and facilitating diaspora investments in Ghana.

1.9.6 Sampling Procedure

Sampling refers to the process of selecting a subgroup of individuals or elements from a larger population and treating them as representatives of that population (Dudovskiy, 2022). Sampling methods are broadly categorized into probability and non-probability techniques.

This study adopted a non-probability sampling procedure, which involved selecting participants through non-random methods based on judgment, relevance, or convenience (Dudovskiy, 2022).

The strength of non-probability sampling lies in its ability to identify individuals who possess specific characteristics or experiences relevant to the research questions, thereby enhancing the

depth of insights gathered. However, its limitation stems from the potential subjectivity in participant selection, which may affect the generalizability of findings (Dudovskiy, 2022).

The purposive sampling technique was employed to select participants from two key groups, members of the Ghanaian diaspora who have invested, or are considering investing, in Ghana through the Ghana Investment Promotion Centre (GIPC) and the GIPC officials, stakeholders who play a major role with experiences in diaspora investment.

The purposive sampling procedure ensured that all participants had relevant knowledge, involvement, or expertise necessary to provide meaningful insights into the phenomenon under investigation (Creswell & Creswell, 2017).

1.9.7 Sample Size

The sample size for the study consisted of twenty participants, determined through the principle of data saturation. Green and Thorogood (2019) describe saturation as the point at which additional data collection no longer yields new insights or information, thus signaling when sampling may appropriately cease. However, they also note that the use of saturation can be challenging, particularly because open-ended qualitative questioning often requires more time and does not offer the researcher the luxury of predicting exactly when saturation will occur.

Ritchie et al. (2023) further argue that several factors influence the point of saturation, regardless of the numerical size of the sample, including the complexity of the research objectives, the diversity of the population, and the depth of inquiry. Similarly, Morse (2018) emphasizes that the number of participants required in qualitative studies can vary significantly depending on these conditions. The kinds of questions that were asked of participants were how the Ghana GIPC currently engages with the Ghanaian diaspora investors, what were the key challenges faced by

the GIPC in its efforts to attract and facilitate diaspora investments, to what extent have the diaspora investments contributed to the economic development and what reforms were needed at GIPC to attract diaspora investment.

and what the purpose was

Green and Thorogood (2019) also highlight that qualitative studies with relatively small sample sizes such as 20 participants are often effective in managing complex issues while preventing unnecessary repetition of information.

Based on these considerations, the study employed the principle of data saturation to determine the final sample size of twenty participants, ensuring that rich, relevant, and non-redundant data were obtained.

1.9.8 Data Collection Method

The study employed both primary and secondary data collection methods. The data collection instrument is defined as a tool or device with a series of questions to obtain information (Creswell, 2011). The primary data were collected through semi-structured interviews involving diaspora investors, GIPC officials, and other key stakeholders engaged in diaspora investment activities. The semi-structured interviews were chosen because they provided flexibility, enabling participants to elaborate on their experiences while allowing the researcher to probe for deeper insights. This method offered a comprehensive understanding of the diaspora investment landscape and the role of the GIPC in facilitating such investments (Creswell & Creswell, 2017). Secondary data were obtained from institutional sources, including GIPC reports, published academic journals, policy documents, and relevant articles. The content analysis of these documents helped to contextualize the primary data and provided additional evidence to support

or contrast the findings. The use of multiple sources ensured a robust and well-informed examination of the research problem.

1.9.9 Data Analysis and Presentation

Data analysis is defined as a technique or the process of making meaning of raw information collected from the field to be able to understand the result obtained (Creswell, 2018). According to Creswell (2018) data analysis involves moving deeper to understand information so as to be able to interpret it. All the data collected were subsequently transcribed, edited for analysis. The categorization of this data was based on three main steps: coding, sorting and editing before analysis for the study. The data obtained was coded to check and make sense of the data by grouping it into themes or categories to facilitate easy interpretation based on research objectives. The data was analysed and interpreted manually on interview quotes in themes, Creswell (2018) noted that qualitative data analysis involves the use of chronologically pattern of analysis and interpretation in quotations.

1.9.10 Ethical Consideration

Ethical considerations were central to the conduct of this study. The researcher obtained permission and provided participants with full information about the purpose, nature and procedures of the research before their involvement. Participation was entirely voluntary, and individuals retained the right to withdraw at any stage of the study if they felt uncomfortable or threatened in any way.

Confidentiality and privacy were strictly maintained throughout the research process. The researcher ensured that personal details and official information provided by participants were protected before, during, and after the study. Real names and identifiable information were not disclosed to the public, and pseudonyms were used where necessary to maintain anonymity.

The data security measures were implemented to protect participants' information. The study also adhered to the ethical principles of beneficence and non-maleficence by prioritizing the well-being of participants and ensuring that no harm came to them as a result of their involvement (Creswell & Creswell, 2017). These ethical standards ensured that the research was conducted responsibly and respectfully.

1.9.11 Organisation of the Study

The first chapter discussed the introduction. The second chapter presented an overview of the Ghana Investment Promotion Centre and the Ghana diaspora. The third chapter examined the role of the Ghana Investment Promotion Centre in attracting and facilitating diaspora investments in Ghana. Fourth chapter summarized the study findings, drew conclusion and made recommendations.



CHAPTER TWO

GHANA INVESTMENT PROMOTION CENTRE AND THE GHANA DIASPORA

2.1 Introduction

This chapter provides information on GIPC and the Ghana Diaspora, evaluating their respective roles, impacts, and partnerships. It examined the initiatives, problems, and possibilities associated with these two important sectors to provide a better understanding of Ghana's strategy for harnessing international resources and connections to promote long-term economic growth and development.

2.2 Ghana Investment Promotion Centre (GIPC)

The GIPC, a government organisation, acts as the principal catalyst for recruiting and facilitating foreign direct investment (FDI) in Ghana. Its multidimensional function includes not only promoting Ghana as an attractive investment location but also expediting the investment process and providing critical assistance to investors. Understanding the GIPC's structure, functions, and influence is critical for understanding Ghana's approach to foreign investment and its implications for the country's economic landscape.

2.2.1. Background of the Ghana Investment Promotion Centre (GIPC)

The Ghana Investment Promotion Centre (GIPC) stands as a pivotal institution in Ghana's economic landscape, playing a crucial role in attracting and facilitating foreign direct investment. According to Adewumi and Boateng (2024), the GIPC's establishment in 1994 marked a significant milestone in Ghana's efforts to liberalize its economy and attract foreign capital.

The roots of the GIPC can be traced back to Ghana's economic reforms in the 1980s. As Oquaye (2018) posits, these reforms aimed to transition Ghana from a state-controlled economy to a more market-oriented one. The GIPC Act of 1994 (Act 478) formally established the Centre, which was later replaced by the GIPC Act of 2013 (Act 865). This legislative evolution, as argued by Adewumi and Boateng (2024), reflects Ghana's commitment to creating a more robust and investor-friendly environment.

At its core, the GIPC's mission is to promote, coordinate, and facilitate investment in the Ghanaian economy. Nyanyi (2020), highlight that the Centre's objectives encompass not just attracting foreign direct investment but also fostering joint ventures between foreign and local entrepreneurs. The GIPC aims to create an enabling environment for investment, as well as identify and promote sector-specific investment opportunities.

The GIPC operates under the Office of the President, indicating its strategic importance to the nation. As described by Nyanyi (2020), the Centre is governed by a Board of Directors, with day-to-day operations managed by a Chief Executive Officer. The organization is structured into various departments, including Investment Promotion, Investor Services, Research, and Monitoring and Tracking.

In comprehensive study, Adewumi and Boateng (2024) outline the GIPC's key functions, which include:

1. Initiating and supporting measures to enhance the investment climate in Ghana
2. Promoting investments in and outside Ghana through effective promotional means
3. Collecting, collating, analysing, and disseminating information about investment opportunities and sources of investment capital

4. Identifying and keeping records of all enterprises in Ghana
5. Identifying specific projects and preparing project profiles on investments and joint venture opportunities

The GIPC Act of 2013 (Act 865) provides the legal backbone for the Centre's operations. This Act, as analysed by Nii-Boi (2023), outlines the rights and guarantees for investors, including protection against expropriation and the free transfer of capital, profits, and dividends. The Act also specifies minimum capital requirements for foreign investors and sectors reserved for Ghanaian citizens.

In recent years, the GIPC has been instrumental in shaping policies to enhance Ghana's competitiveness. For instance, Adom and Zogbator (2022) highlight the Centre's role in developing sector-specific incentives and in streamlining business registration processes. These efforts, they argue, have significantly improved Ghana's ranking in global ease of doing business indices.

The GIPC's work is not without challenges. As Nyanyi (2020) points out, the Centre faces hurdles such as bureaucratic inefficiencies and the need to balance foreign investment with local business development. However, its continued evolution and adaptation to global economic trends underscore its vital role in Ghana's economic development strategy.

2.2.2 GIPC's Role in Promoting Foreign Direct Investment (FDI)

The Ghana Investment Promotion Centre (GIPC) plays a crucial role in attracting and facilitating foreign direct investment (FDI) into Ghana. This section explores the GIPC's investment promotion strategies, targeted sectors, incentives offered to investors, and the challenges it faces in its mission to boost FDI in the country.

The GIPC employs a diverse range of strategies to promote investment in Ghana. According to Djokoto (2021), the Centre's approach includes aggressive marketing campaigns, participation in international investment forums, and the use of digital platforms to showcase Ghana's investment opportunities. In their work, the authors argue that these efforts have significantly enhanced Ghana's visibility among global investors.

Antwi et al. (2019), highlight the GIPC's adoption of a more targeted approach to investment promotion. He posits that the Centre has moved away from broad-based marketing to focus on specific investors in priority sectors. This strategy, they contend, has resulted in attracting investments that are more aligned with Ghana's development goals.

In an article by Adewumi and Boateng (2024), the authors emphasize the importance of the GIPC's aftercare services in its promotion strategy. They argue that by providing ongoing support to existing investors, the GIPC not only encourages reinvestment but also turns these investors into ambassadors for Ghana, potentially attracting new FDI.

The GIPC has identified several key sectors for investment promotion, aligning with Ghana's broader economic development agenda. As said by Adewumi and Boateng (2024), these priority sectors include:

1. Agriculture and agro-processing
2. Manufacturing
3. Information and Communication Technology (ICT)
4. Energy, including oil and gas
5. Tourism and hospitality
6. Infrastructure development

Nii-Boi (2023) argue that this sector-specific approach allows the GIPC to tailor its promotion strategies and incentives, thereby increasing the likelihood of attracting investments that can have transformative impacts on the Ghanaian economy.

The GIPC offers a range of incentives and support mechanisms to attract and retain foreign investors. In the work of Sorogho (2019), several key incentives are outlined, including tax holidays, customs duty exemptions, and guaranteed free transfer of dividends and profits. Sorogho posits that these incentives have been instrumental in enhancing Ghana's competitiveness as an investment destination.

Beyond financial incentives, Nii -Boi (2023) highlight the GIPC's role in providing comprehensive support services to investors. These include assistance with business registration, liaison with government agencies, and provision of market information. The authors argue that these support services are often as crucial as financial incentives in attracting and retaining foreign investment.

Despite its successes, the GIPC faces several challenges in its FDI promotion efforts. Agyekum et al. (2021) identify bureaucratic inefficiencies and policy inconsistencies as significant hurdles. They argue that these issues can undermine investor confidence and hinder the GIPC's effectiveness.

Infrastructure deficits present another limitation to the GIPC's efforts. As Mensah (2016) point out, inadequate infrastructure in some sectors can deter potential investors, despite the GIPC's promotional efforts. They suggest that addressing these infrastructure gaps is crucial for the success of the GIPC's investment promotion strategies. Furthermore, Abodakpi (2017) highlights the challenge of balancing FDI promotion with the protection and development of local businesses.

He argues that while FDI is crucial for economic growth, the GIPC must navigate the delicate task of attracting foreign investment without marginalizing domestic enterprises.

In conclusion, the GIPC's role in promoting FDI is multifaceted and crucial to Ghana's economic development. Through its targeted strategies, sector focus, and support mechanisms, the Centre has contributed significantly to Ghana's FDI inflows. However, addressing the challenges and limitations it faces will be key to enhancing its effectiveness in the future.

2.3 The Ghana Diaspora

The Ghana Diaspora represents a significant and influential community of Ghanaians living outside their homeland. This section explores the definition and scope of the Ghana Diaspora, the historical context of Ghanaian migration, the demographic characteristics of the diaspora population, and the major destination countries for Ghanaian migrants.

2.3.1 History and Composition of Ghanaian Migration

According to Teye et al. (2017), the Ghana Diaspora encompasses individuals of Ghanaian origin who reside outside Ghana's borders, including both first-generation migrants and their descendants. In their work, the authors argue that this definition extends beyond mere citizenship, encompassing those who maintain cultural, emotional, or economic ties to Ghana.

Awumbila (2014) posit that the scope of the Ghana Diaspora is broad and diverse, including students, professionals, labourers, and entrepreneurs. The author contend that this diversity contributes to the diaspora's potential as a resource for Ghana's development.

The history of Ghanaian migration is multifaceted and spans several decades. As said by Anarfi et al. (2020), significant Ghanaian migration began in the post-independence era of the 1960s, driven by a combination of economic, political, and educational factors.

In an article by Muat (2020), the author highlights that the economic downturn and political instability of the 1970s and 1980s led to a surge in emigration. Muat argues that this period saw a significant brain drain, with many highly skilled Ghanaians seeking opportunities abroad.

Darkwah and Awumbila (2018) point out that more recent migration trends have been shaped by globalization and the search for better economic opportunities. They posit that these contemporary movements are more diverse in terms of destinations and migrant profiles.

The demographic makeup of the Ghana Diaspora is varied and evolving. According to Oklikah (2021), the diaspora population is predominantly young and well-educated, with a significant proportion holding tertiary qualifications.

In the work of Sentrana and Kleist (2022), the authors highlight the gender dynamics within the diaspora. They argue that while historical migration patterns were male-dominated, recent decades have seen an increase in female migration, particularly for education and professional development.

Agyeman and Garcia (2023) posit that the Ghana Diaspora is economically diverse, ranging from low-skilled labourers to high-level professionals and entrepreneurs. They contend that this economic diversity influences the nature and extent of diaspora engagement with Ghana.

The Ghana Diaspora is spread across various countries, with certain regions serving as primary destinations. Teye and Setrana (2018) identify the United States, the United Kingdom, Germany, and Canada as major destination countries for Ghanaian migrants in the Global North.

In Africa, Awumbila and Teye (2021) highlight Nigeria, South Africa, and other ECOWAS countries as significant destinations. They argue that these intra-African migrations are often driven by regional economic opportunities and easier movement within the ECOWAS zone.

Interestingly, Kandilige et al. (2024) point out emerging destinations for Ghanaian migrants, including Gulf countries and Asian nations like China. They posit that these new patterns reflect changing global economic dynamics and the diversification of Ghana's international relations.

In summary, the Ghana Diaspora is a diverse and dynamic community shaped by historical, economic, and social influences. Its broad content and global distribution make it a potentially significant resource for Ghana's development, but it also poses obstacles in terms of participation and maximising its potential.

2.3.2 Economic Contributions of the Ghana Diaspora

The Ghana Diaspora plays a significant role in the country's economic development through various channels, including remittances, skills and knowledge transfer, and entrepreneurship.

Remittances from the Ghana Diaspora have become a crucial source of external financing for Ghana. According to Oteng-Abayie et al. (2020), remittance inflows to Ghana have shown a generally upward trend over the past two decades, with some fluctuations due to global economic conditions. In their study, the authors note that remittances to Ghana reached \$3.52 billion in 2020, despite the global economic downturn caused by the COVID-19 pandemic.

Teye et al. (2019) argue that the resilience of remittance flows during economic crises underscores their importance as a stable source of foreign exchange for Ghana. They posit that this stability is partly due to the diversification of the Ghanaian diaspora across different countries and sectors.

2.4 Impact on the Ghanaian Economy

The impact of remittances on the Ghanaian economy is multifaceted. As said by Prempeh et al. (2023), remittances contribute significantly to Ghana's GDP, with estimates suggesting they account for about 5-6% of the country's GDP in recent years. The authors argue that this inflow of foreign exchange helps to stabilize the local currency and improve Ghana's balance of payments.

In an article by Amoako-Agyeman and Asiedu (2022), the authors highlight the role of remittances in poverty reduction and human capital development. They contend that a significant portion of remittances is used for education, healthcare, and housing, thereby improving the living standards of recipient households and contributing to long-term development.

However, Prempeh et al. (2023) caution against over-reliance on remittances. They argue that while remittances provide crucial support to many households, they may also create dependency and reduce incentives for local economic activities in some cases.

The Ghana Diaspora contributes significantly to the country's development through the transfer of skills, knowledge, and technology. Boly et al. (2014) posit that diaspora professionals in fields such as healthcare, education, and technology play a crucial role in bridging knowledge gaps and introducing innovative practices to Ghana.

In the work of Owusu-Sekyere et al. (2019), the authors highlight the importance of "brain circulation" – the movement of skilled professionals between Ghana and diaspora countries. They argue that this circulation facilitates the transfer of global best practices and helps to mitigate the negative effects of brain drain.

Diaspora entrepreneurship and investment represent another significant economic contribution.

According to Nduom (2018), many Ghanaians in the diaspora are leveraging their international

experience and networks to establish businesses in Ghana or invest in existing ones. The author argues that these diaspora-led enterprises often introduce innovative business models and contribute to job creation in Ghana.

Nyame Asiamah et al. (2020) highlight the role of diaspora investment in key sectors of the Ghanaian economy, including real estate, agriculture, and technology. They posit that diaspora investors often have a unique understanding of both international markets and local conditions, allowing them to identify and capitalize on investment opportunities that might be overlooked by other foreign investors. However, Antwi et al. (2019), point out that diaspora entrepreneurs and investors face several challenges, including bureaucratic hurdles and information asymmetries. They argue that addressing these challenges could significantly increase the volume and impact of diaspora investment in Ghana.

In conclusion, the economic contributions of the Ghana Diaspora are substantial and multifaceted. From remittances that provide a stable source of foreign exchange and support household welfare, to skills transfer and entrepreneurship that drive innovation and job creation, the diaspora plays a crucial role in Ghana's economic development. However, maximizing these contributions requires addressing existing challenges and creating more enabling environments for diaspora engagement.

2.5 Government Initiatives for Diaspora Engagement

The Ghanaian government has increasingly recognized the significant potential of its diaspora population as a valuable resource for national development. In response to this recognition, various initiatives have been launched to engage, harness, and leverage the skills, resources, and networks of Ghanaians living abroad. These efforts reflect a growing understanding of the diaspora's role not just as a source of remittances, but as partners in Ghana's socio-economic progress.

According to Awumbila and Teye (2022), the government's approach to diaspora engagement has evolved from ad hoc interactions to more structured and comprehensive strategies over the past two decades. This shift, they argue, is driven by the realization that effective diaspora engagement requires coordinated policies and dedicated institutional frameworks.

As Boateng (2020) posits, these initiatives span a wide range of areas, including investment promotion, knowledge transfer, political participation, and cultural connections. The author contends that by fostering stronger ties with its diaspora, Ghana aims to create mutually beneficial relationships that contribute to both national development and the well-being of Ghanaians abroad.

This section explores key government initiatives for diaspora engagement, including the establishment of the Diaspora Affairs Office, the development of diaspora-focused policies, and efforts to extend dual citizenship and voting rights to Ghanaians in the diaspora. These initiatives represent Ghana's commitment to leveraging its global human capital for national development.

2.5.1 Diaspora Affairs Office

The establishment of the Diaspora Affairs Office marks a significant milestone in Ghana's efforts to engage its diaspora population more effectively. This office, which operates under the Office of the President, plays a crucial role in coordinating and implementing Ghana's diaspora engagement strategies. Its current director is Mr Akwasi Awua-Ababio.

The Diaspora Affairs Office was established in 2017 as part of the government's commitment to harnessing the potential of Ghanaians abroad for national development. This institutional framework represents a more structured approach to diaspora engagement compared to previous ad hoc efforts (DAOOP, 2024).

Key functions of the Diaspora Affairs Office are outlined. These include:

1. Developing and implementing diaspora engagement policies
2. Serving as a liaison between the diaspora and various government agencies
3. Facilitating diaspora investment and knowledge transfer initiatives
4. Promoting cultural connections between Ghana and its diaspora

The DAOOP works in partnership with other State institutions, Ghanaian associations abroad, international organisations and NGOs to promote the interest of Ghanaians in the diaspora, explore more meaningful ways the diaspora could contribute to Ghana's socio-economic development and creating awareness about the negative effects of irregular migration (DAOOP, 2024).

Boateng (2021) posits that the creation of the Diaspora Affairs Office signifies a shift in how the Ghanaian government perceives its diaspora. He argues that this move reflects a recognition of the diaspora not just as a source of remittances, but as partners in development with diverse skills, experiences, and resources to offer.

As said by the director of the DAOOP, Mr Akwasi Awua-Ababio, one of the key achievements of the Diaspora Affairs Office has been the organization of the annual "Year of Return" and subsequent "Beyond the Return" initiatives. These programs, aimed at encouraging diaspora Ghanaians and people of African descent to visit or return to Ghana, have had significant cultural and economic impacts (Top Guide Ghana, 2024).

The EU (2020) point out some challenges faced by the Diaspora Affairs Office. They argue that limited resources and the need for better coordination with other government agencies sometimes hinder the office's effectiveness. The authors suggest that addressing these challenges could enhance the office's ability to engage the diaspora more comprehensively.

In an article by the Juliane Reissig (2022), the author highlights the role of the Diaspora Affairs Office in facilitating diaspora investment. She posits that the office has been instrumental in creating platforms for diaspora investors to connect with local opportunities, although they also note that there's room for improvement in streamlining investment processes (UN, 2022).

Appah (2019) emphasize the importance of the Diaspora Affairs Office in knowledge transfer initiatives. He argues that the office's efforts to connect diaspora professionals with local institutions have contributed to capacity building in various sectors, including healthcare and education.

In conclusion, the Diaspora Affairs Office represents a significant step in Ghana's diaspora engagement efforts. While facing some challenges, it has played a crucial role in coordinating various initiatives and serving as a bridge between the government and the Ghanaian diaspora. As Ghana continues to recognize the potential of its global citizens, the role of this office is likely to become even more pivotal in the country's development strategy.

2.5.2 Diaspora Engagement Policies in Ghana

Ghana has increasingly recognized the potential of its diaspora as a valuable resource for national development, leading to the formulation and implementation of various diaspora engagement policies. These policies aim to harness the skills, resources, and networks of Ghanaians abroad for the benefit of the country.

According to Teye et al. (2017), Ghana's diaspora engagement policies have evolved significantly over the past two decades. The authors argue that this evolution reflects a shift from viewing the diaspora primarily as a source of remittances to recognizing them as partners in development with diverse contributions to offer.

In the work of Antwi et al. (2019), the key components of Ghana's diaspora engagement policies are outlined. These include:

1. Investment promotion initiatives
2. Knowledge and skills transfer programs
3. Cultural reconnection efforts
4. Political participation mechanisms

Sylvie (2023) posits that one of the most significant policy developments in recent years has been the "Diaspora Engagement Policy" drafted in 2018. This comprehensive policy document, he argues, provides a framework for coordinating various diaspora-related initiatives across different government agencies.

As said by Setrana et al. (2021), the "Year of Return" initiative launched in 2019 and its follow-up "Beyond the Return" program represent key policy interventions aimed at engaging the diaspora. The authors contend that these initiatives have not only boosted tourism but also stimulated diaspora investment and knowledge transfer.

In an article by Olawale and Ani (2023), the authors highlight the Ghana Investment Promotion Centre's (GIPC) diaspora-focused policies. They argue that initiatives such as the "Diaspora Investment Summit" and the "Diaspora Business Register" have been instrumental in facilitating diaspora investment in Ghana.

Olawale and Ani (2021) emphasize the importance of policies aimed at leveraging diaspora expertise. They point to programs like the "Diaspora Skills Database" and the "Diaspora Volunteer Program" as examples of how Ghana is trying to tap into the knowledge and skills of its diaspora population. However, Kandilige et al. (2023) point out some challenges in the implementation of diaspora engagement policies. They argue that while Ghana has made significant strides in policy

formulation, there are still gaps in implementation due to resource constraints and coordination issues among various government agencies.

Abdulloeva (2023) posits that Ghana's diaspora engagement policies have also focused on improving the ease of doing business for diaspora investors. They highlight policy measures such as the establishment of a "Diaspora Desk" at the GIPC and streamlined business registration processes for diaspora entrepreneurs.

Ghana's diaspora engagement policies represent a comprehensive effort to leverage the potential of Ghanaians abroad for national development. While challenges remain, these policies have created new avenues for diaspora participation in Ghana's economic, social, and cultural spheres. As Hamidu-Yakubu (2021) argues, the success of these policies will depend on continued government commitment, effective implementation, and active participation from the diaspora community.

2.5.3 Dual Citizenship and Voting Rights

The issues of dual citizenship and voting rights for Ghanaians in the diaspora have been significant topics in Ghana's diaspora engagement efforts. These policies reflect the government's recognition of the diaspora's potential contributions to national development and their right to participate in the country's political processes.

According to Antwi et al. (2019), Ghana introduced dual citizenship in 2000 through an amendment to the Citizenship Act. The authors argue that this move was a response to growing pressure from the diaspora community and a recognition of the potential benefits of maintaining stronger ties with Ghanaians abroad.

In the work of Antwi et al. (2019), the impact of dual citizenship on diaspora engagement is examined. She posits that the policy has encouraged increased investment and knowledge transfer from the diaspora by removing legal barriers to their participation in Ghana's economy and society. However, Kleist also notes that the implementation of dual citizenship has faced some challenges, particularly in terms of bureaucratic processes.

As said by Adewumi and Boateng (2024), the introduction of dual citizenship has had significant implications for diaspora Ghanaians' sense of belonging and identity. The authors contend that it has allowed many in the diaspora to maintain stronger connections with Ghana while also fully integrating into their host countries.

Voting rights for the diaspora, on the other hand, remain a contentious issue. According to Nilsson (2011), while the Representation of the People Amendment Act (ROPAA) was passed in 2006 to extend voting rights to Ghanaians abroad, its implementation has been delayed repeatedly. The authors argue that this delay is due to a combination of logistical challenges, political concerns, and resource constraints.

In an article by Kyei et al. (2022), the authors highlight the ongoing debate surrounding diaspora voting rights. They posit that proponents view it as a fundamental right and a way to engage the diaspora in Ghana's democratic process, while opponents raise concerns about the potential influence of external forces on domestic politics.

Bob-Miller (2019) emphasize the importance of diaspora voting rights in fostering a sense of inclusion and participation. He argues that extending voting rights to the diaspora could enhance their commitment to Ghana's development and strengthen their ties to the country. However, Hamidu-Yakubu (2022) point out the practical challenges of implementing diaspora voting. He

highlights issues such as voter registration, the establishment of polling stations abroad, and ensuring the integrity of the voting process as key hurdles that need to be addressed.

Schramm, (2020) posits that the delay in implementing diaspora voting rights has led to frustration among some diaspora communities. The author argues that this frustration could potentially undermine other diaspora engagement efforts if not addressed in a timely manner.

In conclusion, while Ghana has made significant strides in recognizing dual citizenship, the implementation of voting rights for the diaspora remains a work in progress. As Teye and Setrana (2023) argue, resolving these issues will be crucial for Ghana to fully leverage the potential of its diaspora population and ensure their meaningful participation in the country's political and developmental processes.

2.6 GIPC and Diaspora Investment

The Ghana Investment Promotion Centre (GIPC) plays a crucial role in facilitating and encouraging investment from Ghana's diaspora community. Recognizing the significant potential of diaspora resources and expertise, the GIPC has implemented various initiatives aimed at attracting and supporting diaspora investors. These efforts not only contribute to Ghana's economic development but also strengthen the ties between the country and its global citizens, creating a mutually beneficial relationship that leverages the unique position of the Ghanaian diaspora in the global economy.

2.6.1 Targeted programs for diaspora investors

The Ghana Investment Promotion Centre (GIPC) has developed several targeted programs to attract and support diaspora investors, recognizing their unique potential to contribute to Ghana's

economic development. These initiatives aim to leverage the financial resources, skills, and international networks of Ghanaians living abroad.

According to GIPC (2024), one of the key programs implemented by the GIPC is the "Diaspora Investment Summit." The Centre notes that this annual event serves as a platform for diaspora investors to learn about investment opportunities in Ghana and network with local partners. They posit that the summit has been instrumental in facilitating several diaspora-led investments in sectors such as agriculture, technology, and real estate.

In a publication by the centre, the "Diaspora Business Register" is highlighted as another significant initiative. This online platform, they explain, allows diaspora entrepreneurs to register their businesses and access tailored support services. The centre contend that this program has helped streamline the investment process for diaspora investors, reducing bureaucratic hurdles (GIPC, 2022). This is also online guide for international and local investors and businesses seeking to invest and operate in Ghana. The aim is to provide resources that cover things an investor needs to know about establishing and registering a business in Ghana. The guide includes direct links to regulators and relevant government agencies to help streamline the process for the investor (GIPC, 2022)

The GIPC has also launched a "Diaspora Direct Investment Fund" in collaboration with local financial institutions. This fund, they argue, provides matching grants and low-interest loans to diaspora investors, particularly for projects in priority sectors aligned with Ghana's development goals (GIPC, 2024).

In an article by Agyeman and Garcia (2021), the authors discuss the GIPC's "Diaspora Investment Roadshows." These events, held in major cities with significant Ghanaian populations, aim to

showcase investment opportunities and provide one-on-one consultations with potential investors. The authors posit that these roadshows have been effective in reaching out to diaspora communities and stimulating investment interest.

In a publication, GIPC (2023) highlight the GIPC's "Diaspora Investor Handbook" as a valuable resource for potential investors. This is comprehensive guide, which provides detailed information on investment procedures, regulations, and opportunities, has helped demystify the investment process for many diaspora Ghanaians (GIPC, 2023).

The GIPC has also established a dedicated "Diaspora Investment Desk" to provide personalized support to diaspora investors. The centre contend that this specialized service has been crucial in addressing the unique needs and concerns of diaspora investors, from navigating local regulations to finding reliable local partners (GIPC, 2023).

In online publication by Think Online News (2021), it posits that the GIPC's "Diaspora Investment Mentorship Program" has been particularly effective in supporting new diaspora investors. This initiative, they explain, pairs experienced diaspora entrepreneurs with newcomers, facilitating knowledge transfer and reducing the learning curve for those new to investing in Ghana (Think Online, 2021). However, Nyanyi (2020) point out some challenges in these targeted programs. They argue that while the initiatives have shown promise, there is a need for better coordination among various government agencies and more robust mechanisms for monitoring and evaluating the impact of diaspora investments.

The GIPC's targeted programs for diaspora investors represent a comprehensive approach to harnessing the potential of Ghana's global citizens. As Nyanyi (2020) argues, these initiatives not only contribute to Ghana's economic growth but also strengthen the ties between the country and

its diaspora. However, continuous refinement and expansion of these programs will be crucial to fully leverage the diaspora's investment potential.

2.6.2 Diaspora Investment Trends

The landscape of diaspora investment in Ghana has been evolving rapidly, reflecting both the changing dynamics of the global economy and the targeted efforts of the Ghana Investment Promotion Centre (GIPC) to engage Ghanaians abroad. These trends offer insights into the sectors attracting diaspora capital and the changing nature of diaspora engagement with Ghana's economy.

According to Orozco et al. (2022), there has been a noticeable increase in diaspora investment in Ghana over the past decade. The authors posit that this growth can be attributed to improved economic conditions in Ghana, enhanced engagement efforts by the GIPC, and a growing desire among diaspora Ghanaians to contribute to their homeland's development.

In the work of Asquith and Opoku-Owusu (2022), the sectoral distribution of diaspora investments is analysed. They argue that while real estate has traditionally been a favoured sector for diaspora investors, recent years have seen a diversification into areas such as technology, agriculture, and renewable energy. This shift, they contend, aligns with Ghana's development priorities and reflects the diverse skill sets of diaspora professionals.

As said by Owusu-Sekyere and Kwankye (2021), there's a growing trend of collaborative investments between diaspora Ghanaians and local entrepreneurs. The authors highlight that these partnerships often leverage the international networks and expertise of diaspora investors while benefiting from the local knowledge and connections of their Ghana-based counterparts.

In an article by Afrifa and Mensah (2023), the authors discuss the increasing trend of diaspora-led startups in Ghana. They posit that many diaspora Ghanaians are returning to establish innovative

businesses, particularly in the tech sector, bringing with them international best practices and access to global markets.

Agyei (2023), highlights a trend towards impact investing among diaspora investors. He argues that many diaspora Ghanaians are seeking investment opportunities that not only offer financial returns but also contribute to social and environmental goals in Ghana.

According to Teye and Setrana (2017), there's a growing interest in diaspora bonds and other financial instruments that allow for smaller-scale investments. The authors contend that these options are attracting a broader base of diaspora investors, including those who may not have the capital for large-scale direct investments.

Asiedu and Boadu (2021) posit that there's an emerging trend of diaspora investment in Ghana's creative industries, including film, music, and fashion. This trend, they argue, not only contributes to economic growth but also helps promote Ghanaian culture globally.

In their comprehensive study, Adewumi and Boateng (2024), note a trend towards increased women's participation in diaspora investment. They highlight that female diaspora investors are playing an increasingly prominent role, particularly in sectors such as healthcare, education, and social enterprises. However, Mensah (2022) points out some challenges in current diaspora investment trends. He argues that while there's growing interest, many potential investors still face hurdles related to information asymmetry, regulatory complexities, and concerns about political stability.

In summary the trends in diaspora investment in Ghana reflect a dynamic and evolving landscape. These trends suggest a deepening engagement between Ghana and its diaspora, with investments increasingly aligned with the country's development goals. However, continued efforts by the

GIPC and other stakeholders will be crucial to sustain and expand these positive trends (Asafo-Adjei, 2024).

2.6.3 Challenges and opportunities

The Ghana Investment Promotion Centre's (GIPC) efforts to engage diaspora investors present both significant challenges and promising opportunities. Understanding these factors is crucial for developing effective strategies to harness the full potential of diaspora investment in Ghana's economic development.

According to Quartey and Adiku (2022), one of the primary challenges facing diaspora investment is the issue of information asymmetry. The authors argue that many potential diaspora investors lack accurate and up-to-date information about investment opportunities and regulatory processes in Ghana, which can deter them from investing.

In the work of Boateng and Asare (2023), bureaucratic hurdles are highlighted as a significant challenge. They posit that complex and time-consuming administrative procedures can discourage diaspora investors, particularly those accustomed to more streamlined processes in their host countries.

In an article by Ani and Isaac (2023), the authors discuss the challenge of currency volatility. They posit that fluctuations in the Ghanaian cedi can create uncertainty for diaspora investors, particularly those planning long-term investments.

As said by Olawale and Ani (2023), trust issues and concerns about corruption remain significant barriers to diaspora investment. The authors contend that negative perceptions about Ghana's business environment can make some diaspora members hesitant to invest their hard-earned money.

Masino et al. (2023) point out the challenge of matching diaspora investors with suitable local partners. They argue that finding reliable and competent local collaborators can be difficult for diaspora investors who may have limited networks in Ghana.

Despite these challenges, there are numerous opportunities for enhancing diaspora investment in Ghana. According to Teye and Kandijile (2023), the growing trend of remote work and digital entrepreneurship presents new opportunities for diaspora engagement. They argue that these trends allow diaspora Ghanaians to invest in and manage businesses in Ghana while still residing abroad.

Adowei and Adom (2023) highlight the opportunity presented by Ghana's emerging sectors, such as technology and renewable energy. They posit that these sectors align well with the skills and interests of many diaspora professionals, offering fertile ground for innovative investments (Adowei, 2023; Adom, 2023).

In their comprehensive study, Awumbila and Teye (2022) note the potential for diaspora investment to drive regional development in Ghana. They argue that targeted initiatives to channel diaspora investments into underdeveloped regions could help address regional economic disparities.

Abdulloeva (2023) points out the opportunity for diaspora investors to act as cultural and business bridges between Ghana and their host countries. He contends that this unique position can facilitate not just financial investment but also valuable knowledge and technology transfer.

According to Nyanyi (2021), there's a significant opportunity to leverage diaspora networks for trade promotion. The author argues that diaspora investors can play a crucial role in expanding Ghana's export markets, particularly for niche products.

In conclusion, while challenges persist in engaging diaspora investors, the opportunities are substantial and diverse. Addressing these challenges while strategically leveraging the opportunities could significantly enhance the impact of diaspora investment on Ghana's economic development. Nyanyi posits that continued collaboration between the GIPC, other government agencies, and diaspora organizations will be crucial in realizing this potential (Nyanyi, 2020).

2.7 Conclusion

The Ghana Investment Promotion Centre's engagement with diaspora investors represents a significant and evolving aspect of Ghana's development strategy. As we have seen through the examination of targeted programs, investment trends, challenges, and opportunities, the relationship between Ghana and its diaspora is multifaceted and dynamic.

The GIPC's efforts to create targeted programs for diaspora investors demonstrate a recognition of the unique potential this group holds. From investment summits to specialized funds and mentorship programs, these initiatives reflect a comprehensive approach to harnessing diaspora resources. These programs have been instrumental in facilitating several diaspora-led investments across various sectors of the Ghanaian economy (GIPC, 2023).

Looking forward, the success of Ghana's diaspora investment initiatives will depend on the ability of the GIPC and other stakeholders to address existing challenges while capitalizing on emerging opportunities. As Nyanyi (2020) suggest, this will require continued collaboration between government agencies, diaspora organizations, and the private sector. The engagement of the Ghanaian diaspora in investment represents a promising pathway for the country's economic development. While challenges persist, the trends and opportunities identified suggest a future where diaspora contributions could play an increasingly significant role in shaping Ghana's

economic landscape. As Ghana continues to refine its approach to diaspora engagement, the potential for mutually beneficial relationships between the country and its global citizens remains substantial. The next chapter examines the Ghana Investment Promotion Centre attempt in attracting Diaspora investments in Ghana.



CHAPTER THREE

RESULTS ON THE GHANA INVESTMENT PROMOTION CENTRE IN ATTRACTING DIASPORA INVESTMENTS IN GHANA

3.1 Overview

The goal of the study was to assess the role of the Ghana Investment Promotion Centre in attracting and facilitating diaspora investments in Ghana. The results are modeled on four major objectives. Firstly, to examine the current strategies employed by the GIPC to engage the Ghanaian Diaspora in investment. Secondly, to analyze the challenges encountered by the GIPC in its efforts to attract and facilitate diaspora investments. Thirdly, to evaluate the impact of Diaspora investments facilitated by the GIPC on the economic development of Ghana. Finally, for enhancing GIPC's capacity, strategy and initiatives to effectively leverage Diaspora resources for Ghana's development.

3.2 Demographic Characteristic of Participants

The demographic results, out of the twenty (20) stakeholders, made up of members of Diaspora investors and GIPC officials. The study shows that the age distribution of participants, between 35 to 40 years were three, whilst participants between 41 to 45 years were three and participants between 46 to 50 years were five. Again, the ages between 56 to 60 years were five and participants above 61 years were four. Out of the participants, males were three and females were seventeen and this illustrated that majority of participants were females. Participants educational background showed that those who completed their diploma education were four. Also, participants whose education ended at first degree level were five. Similarly, participants with second degree education were seven and participants with other professional education were four. Finally, on the

number of years participants had worked in the organization, the result indicated participants that have served between one to two years were four, follow by participants who served between three to four years seven, five to six years were five, and seven to eight years were four.

3.3 Current Strategies Employed by the GIPC to Engage the Ghanaian Diaspora in Investment

The study examined the strategies currently employed by the Ghana Investment Promotion Centre (GIPC) to engage the Ghanaian diaspora in investment activities. As a government agency, the GIPC is mandated to facilitate and promote investment opportunities in Ghana. Its responsibilities extend beyond attracting new investors to ensuring the retention and sustainability of both foreign and local investments within the country. Specifically, GIPC provides investment advisory services, assists with the granting of permits and licenses, supports land acquisition, and offers other business facilitation services (GIPC, 2023). By providing investors with the necessary information and institutional support, the GIPC plays a pivotal role in fostering an enabling environment for investment in Ghana.

The engagement of the diaspora in investment can be analyzed through the lens of transnationalism theory, which emphasizes how immigrants establish and maintain multi-stranded business and trade relations that connect their countries of origin with their countries of settlement. A key dimension of this theory is the development of social fields that transcend geographic, cultural, and political boundaries, facilitating investment and sustaining economic linkages across borders.

3.3.1 The GIPC and Diaspora Investment Desk

The Ghana Investment Promotion Centre (GIPC) established the Diaspora Investment Desk in 2019 under the auspices of the President of Ghana, Nana Addo Dankwa Akufo-Addo, to strengthen

connections with Ghanaians living abroad as well as Africans and Caribbeans in the diaspora (GIPC, 2019). The desk was designed to facilitate partnerships and linkages, encouraging diaspora members to invest in Ghana while fostering and maintaining a productive economic relationship between the diaspora community and the country (GIPC, 2019). The primary aim of the desk is to position GIPC as the central hub for harnessing Ghanaian diaspora resources, thereby potentially accelerating national economic growth (GIPC, 2019).

The desk provides the following services.

- The coordination of programmes and activities between Ghana and the Diaspora community
- Provide information to advise the Diaspora community about the climate and opportunities available in Ghana and;
- Maintain a database of all Diaspora connections and investment.

The GIPC offers a wide range of investment packages and incentives through the formulation and implementation of various policies aimed at attracting and retaining foreign investors in Ghana. These policy incentives are designed to make Ghana an attractive destination for investment and include measures such as duty-free importation of machinery and equipment, tax exemptions, and access to land, among others. In addition, the GIPC has implemented policies to protect the rights of all investors and ensure a favorable business environment. Through its nationwide offices, the GIPC also provides continuous support services to investors.

From a theoretical perspective, transnationalism, as described by Glick Schiller, Basch, and Szanton-Blanc (1992), emphasizes the simultaneous existence of social fields that extend across borders. In the context of the Ghanaian diaspora, transnationalism theory provides a useful lens to analyze how individuals maintain economic linkages with Ghana not only through remittances but

also through direct investments facilitated by institutions such as the Ghana Investment Promotion Centre (GIPC).

These were the views expressed on the objectives of GIPC and Diaspora Investment Desk activities in Ghana.

One of the stakeholders noted that *“we provide a range of services, including coordinating programmes between the diaspora and local businesses, advising on Ghana’s investment climate, and facilitating processes like acquiring permits and land. These efforts aim to bridge the gap between the diaspora and the vast opportunities in Ghana”*.

On the impact of the GIPC’s Diaspora Investment Desk, so far for investors. Another stakeholder observed that *“since its inception, we have seen increased diaspora participation in sectors like agribusiness, real estate, and technology. The investments facilitated by the desk are accelerating economic growth, creating jobs, and enhancing infrastructure development”*.

The GIPC’s notable services include investment advisory, facilitation of permits and licenses, assistance with land acquisition and aftercare services. As the government of Ghana agency, it serves as a bridge between investors and other government agencies, such as the Free Zone’s Authority to facilitate smooth investment processes in the country.

3.3.2 The GIPC Comprehensive Procedures for Investment

The GIPC, has comprehensive procedures for foreign investment in Ghana. There are several procedures for investment. It is important for all foreign investors to understand these processes to undertake any investment in the country. The following are the detailed procedure for investing in Ghana.

- The GIPC provides comprehensive guidance and support to investors at every stage of the investment process in Ghana. First, investors are advised to conduct thorough market analysis to understand the dynamics of the business environment, including demand, competition, and sector-specific trends, before making any investment decisions.
- Next, investors are required to register with the GIPC. This process involves submitting the necessary business documents and paying the prescribed registration fees. Following registration, investors must obtain the relevant licenses and permits, which vary depending on the nature of the business. The GIPC plays a crucial role in guiding investors through this process, including registration with the Registrar General's Department and obtaining a Tax Identification Number (TIN).
- For land acquisition, the requirements depend on the type of investment. Land can be acquired either through lease or purchase, and the GIPC assists and supports investors throughout the acquisition process.
- Accessing financial support is another critical step. Investors are encouraged to explore various options available in Ghana, such as banks and other capital funds. The GIPC provides information on available financing opportunities and facilitates connections between investors and accredited financial institutions.
- Finally, once all the necessary procedures have been completed, investors proceed to establish and operationalize their businesses in Ghana. The GIPC continues to provide aftercare services to ensure smooth entry and operations within the Ghanaian market, thereby enhancing investor confidence and promoting long-term business sustainability.

On the GIPC comprehensive procedures for investment for the Diaspora investment this was the view expressed by the stakeholders, *“the process starts with conducting market analysis to*

understand the local business environment. Investors are then required to register with the GIPC, which involves submitting business documents and paying a registration fee”.

On What happens after registration of Diaspora investment, *“once registered, investors need to obtain necessary licenses and permits, which vary depending on the type of business. We also assist with land acquisition and provide connections to accredited financial institutions for support. Finally, we offer aftercare services to ensure smooth operations for the investors”.*

3.3.3 Investments in Agribusiness

One of the investment opportunities for the Diaspora under the GIPC Act 865, is creating the enabling environment in Agribusiness investments in Ghana. As the agricultural sector presents the most significant investment opportunities and the backbone of the larger economy for Diaspora investment (GIPC, 2023).

On agribusiness investments in Ghana. This was the view of a stakeholder. *“Ghana has abundant arable land and favorable climatic conditions, making it a prime location for agribusiness. The sector is the backbone of the economy and offers opportunities in areas like aquaculture, crop cultivation, and agro-processing”.*

On policies that encouraged the Diaspora investments in this sector. Another stakeholder noted that *“the GIPC implements policies such as tax holidays and import duty exemptions. The Agricultural Investment Policy 2018, for instance, focuses on boosting productivity, food security, and job creation, which makes the sector highly attractive”.*

Vertovec (2009) argues that transnationalism theory explains how migrants from the diaspora maintain social, economic, and political relationships that link their societies of origin with their countries of settlement. This theory provides a useful framework for analyzing diaspora

investment, citizenship, and identities in Ghana. Ghana, endowed with abundant arable land and favorable climatic conditions, offers a diverse range of agricultural products, making it an attractive destination for investment. Recognizing this potential, the Government of Ghana, through the GIPC, has prioritized investment in the agricultural sector by implementing various policy frameworks and initiatives aimed at attracting both local and foreign investors (GIPC, 2023).

Diaspora and foreign investors can explore a wide range of opportunities, including aquaculture, crop cultivation, livestock farming, and agro-processing. The growing population in Ghana has increased domestic and international demand for food products, further enhancing the attractiveness of the agricultural sector (GIPC, 2019).

To incentivize investment, the GIPC implements policies such as the Investment Incentive Act, 2020 (Act 865), which offers tax holidays, exemptions from corporate tax for up to ten years, import duty relief, and protection from double taxation (GIPC, 2023). Additionally, the Agriculture Investment Policy of 2018 was designed to transform agricultural investment by increasing productivity, improving food security, promoting economic growth, and generating employment opportunities (Agricultural Investment Policy, 2018).

3.3.4 Investment in the Energy and Infrastructure Sector

A key area of investment opportunities for the diaspora facilitated by the GIPC is the energy and infrastructure sector. Foreign investment in Ghana's energy and infrastructure not only provides lucrative returns for investors but also contributes significantly to the growth and development of the local economy (GIPC, 2019). Investments in this sector have supported the expansion of energy generation capacity and the improvement of infrastructure across the country. Currently,

foreign investment in energy is concentrated within a diverse mix, including hydro, solar, and thermal power projects (GIPC, 2023).

From a theoretical perspective, diaspora investment in these sectors can be understood through the lens of transnationalism. Levitt and Glick Schiller (2004) argue that diaspora social fields—comprising kinship networks, capital flows, political connections, and religious affiliations—transcend national borders and become integral to everyday economic and social activities. These networks facilitate diaspora engagement in Ghana’s economy, allowing investors to channel resources into multiple sectors through institutions such as the GIPC.

On investment in the energy and infrastructure sectors. Some stakeholder shared their opinion pertained to Diaspora investments opportunities in Ghana. *“There is significant potential in renewable energy, such as solar, hydro, and thermal power generation. Infrastructure development, including roads, ports, and railways, also provides lucrative opportunities”*. Another view by a stakeholder, *“the GIPC facilitates Public-Private Partnerships (PPPs) and offers incentives for sustainable energy projects. We also prioritize collaborations with the diaspora to expand renewable energy capacities and improve infrastructure networks”*.

The GIPC has implemented policies to attract significant foreign investment in renewable energy, aiming to promote sustainable energy efficiency in Ghana. In addition, the agency prioritizes infrastructure development, focusing on the construction of roads, ports, and railway networks. To support these initiatives, the GIPC actively encourages private sector participation through public-private partnerships (PPPs), engaging both diaspora investors and Ghanaian business owners. Diaspora investors are exploring opportunities particularly in power generation, distribution, and renewable energy development and expansion (GIPC, 2023).

From a theoretical perspective, transnationalism provides a useful lens to understand these investment dynamics. Faist (2000) explains that transnational spaces emerge through the combined forces of capital expansion and migrant networks, representing the intensification of cross-border activities and making migrants' lives increasingly bi-national. Similarly, Waldinger (2015) posits that transnationalism offers migrants connections, recognition, and resources that enhance their adaptation and social status. In the context of Ghana, diaspora participation in infrastructure investment projects through PPPs illustrates how transnational networks facilitate both economic engagement and sustainable development.

3.3.5 Investment in Real Estate

The GIPC is actively promoting foreign investment in Ghana's real estate sector, which has experienced significant growth over the past decade due to population expansion and rapid urbanization. These trends have generated increased demand for housing and commercial facilities, including the hospitality industry (GIPC, 2019). To capitalize on this growth, the GIPC has implemented policies aimed at promoting affordable housing and attracting foreign investment in the sector. Diaspora investors are exploring opportunities in residential, commercial, and industrial real estate, driven by the high demand for affordable housing and the growing need for recreational and hospitality facilities (GIPC, 2019).

On what made the real estate sector an appealing for the Diaspora investments. One of the stakeholders noted that *“urbanization and population growth have created a high demand for affordable housing and commercial properties, including hotels and resorts. This trend makes real estate a lucrative investment avenue”*.

How the GIPC promoted the real estate sector. Another stakeholder indicated that *“the GIPC offers policies to attract foreign investors, such as incentives for affordable housing and tourism development. They also guide investors through the registration and land acquisition processes”*.

These investment policies are presenting various opportunities for investors to invest in international standard hotels and the tourism sector due to the growing rapid demand for hotels and resorts facilities in Ghana. The Diaspora transnational investments encompass economic, political, social and cultural cross-border practices (Portes et al., 1999). They involve remittances, investments and business activities linking origin and destination countries.

3.3.6 Investment in the Manufacturing Industry

The GIPC is fostering an enabling environment for foreign investment in Ghana’s manufacturing and industrial sector by attracting diaspora investors. The agency has implemented policies aimed at promoting industrialization and value addition across sectors such as textiles, rubber, and other manufacturing industries to enhance Ghana’s economic growth (GIPC, 2019). Ghana’s abundant natural resources, including cocoa, gold, timber, and oil, provide strong foundations for the processing and manufacturing of finished products for local and international markets. Diaspora investors are exploring opportunities in areas such as textiles and garments, agro-processing, pharmaceuticals, and automobile assembly facilities. From a theoretical perspective, Portes, Guarnizo, and Landolt (1999) note that diaspora transnational activities encompass economic, political, social, and cultural cross-border practices, illustrating how diaspora engagement in Ghana’s manufacturing sector contributes to broader development outcomes.

On the manufacturing industry investments and how the GIPC is promoting sector in Ghana. A stakeholder expressed his view that *“by creating an enabling environment for industrialization*

and value addition. The sector leverages Ghana's natural resources, such as cocoa, gold, and timber, to produce finished goods for local and international markets”.

On how specific incentives were boosting the Diaspora investors into the country. Another stakeholder had this to say, *“yes, the GIPC provides tax exemptions and duty-free import policies for machinery and equipment. This makes investments in textiles, pharmaceuticals, and automobile assembly more attractive’.*

The GIPC through the government of Ghana is offering various incentive policies such as investment incentive policy and agricultural investment policy (including tax exemptions, duty-free imports of machinery and equipment) geared toward the promotion of foreign investment within the manufacturing sector (GIPC, 2019).

3.3.7 Investment in Technology and Innovation Industry

In line with its mandate, the GIPC is creating an enabling environment for foreign investment in Ghana's technology and innovation sector, responding to the country's rapid growth in technology adoption. Ghana's vibrant population and increasing engagement with digital applications have generated significant demand for investments aimed at modernizing various sectors of the economy. To address this, the GIPC has implemented policies designed to promote technological development and attract diaspora investors in areas such as software development, fintech, e-commerce, and telecommunications. These initiatives aim to strengthen Ghana's digital ecosystem while leveraging diaspora expertise and capital to drive innovation and economic growth.

On investment in the technological and how the GIPC was promoting Ghana. A stakeholder noted that *“by creating an enabling environment for industrialization and value addition. The sector leverages Ghana's natural resources, such as cocoa, gold, and timber, to produce finished goods for local and international markets”.*

Another stakeholder said that “*the GIPC provides tax exemptions and duty-free import policies for machinery and equipment. This makes investments in textiles, pharmaceuticals, and automobile assembly more attractive*”.

The investment opportunities facilitated by the GIPC are enabling investors to explore diverse areas such as mobile e-commerce platforms, banking, software development, and cybersecurity. Technology investments are viewed as strategic for positioning Ghana as a leading technological hub in West Africa. To encourage investment in this sector, the GIPC offers a range of incentive packages, including tax exemptions on imported equipment and accessories, aimed at motivating investors and supporting the growth of technology-driven businesses in the country.

3.4 Challenges Encountered by the GIPC in its Efforts to Facilitate Diaspora Investments

The study examined the challenges encountered by the GIPC in facilitating diaspora investments. The GIPC Act 865 has served as a significant legislative framework for attracting diaspora investors to Ghana, positioning the country as a favorable destination for foreign investment (Bilsilki, 2024). The Act has further strengthened Ghana’s role as a central investment hub within West Africa and beyond. However, several challenges limit the full potential of diaspora investment. One major deterrent is the minimum capital requirement of USD 500,000 for wholly owned diaspora investments. This threshold can discourage potential investors who are unable to meet the requirement, leading them to consider alternative destinations. Additionally, the high capital requirement can hinder partnerships between diaspora investors and Ghanaian businesses, as collaboration may be constrained by financial barriers. The GIPC Act 865 also lacks a clear definition of what constitutes a partnership between diaspora investors and local businesses, complicating efforts to formalize joint ventures.

From a theoretical perspective, Portes (1999) argues that transnational networks serve as conduits for information, resources, and opportunities, fostering economic activity in both host and home countries. In the Ghanaian context, these networks help explain how the GIPC engages with diaspora communities to attract investment, leveraging the diverse skills, expertise, and capital of diaspora members to support national development.

3.4.1 Prohibition of Certain Investments

Under the provisions of Act 865, certain investment opportunities in Ghana are reserved exclusively for Ghanaian-owned businesses. Specifically, wholly owned Ghanaian enterprises are given priority in sectors where the law restricts participation to local investors. Consequently, any individual or business entity that is not fully owned by a Ghanaian citizen is prohibited from participating in these reserved investments (Bilsilki, 2024).

The GIPC exempt Diaspora investment in Ghanaian business or enterprises which includes the following;

- The participation of business or enterprises in the Ghanaian markets such as the sale of goods or provision, services, hawking, selling of goods or stall at any place.
- Any business operations such as taxi or car hire services as an enterprise that has a fleet or cars of less than twenty-five (25) vehicles.
- The operation of any barbering or beauty salons.
- The printing of telecommunication recharge scratch cards for the use of subscribers of mobile services.
- Production of educational or other services such as exercise books or other basic stationery.
- The operation of any retail of finished pharmaceutical products (medicines).
- The operation or production, supply or retail of sachet water and;

- All aspects of betting business and lotteries, except for football betting.

The Act 865 allows diaspora investors, who are considered non-Ghanaian, to participate in certain sectors as foreign participants. For example, diaspora investors or enterprises can invest in the hire transport business or related services, provided the enterprise operates a fleet of more than twenty-five (25) vehicles. Additionally, the Act defines a finished pharmaceutical product as any chemical substance or product intended for consumption by the end user (GIPC, 2023).

From a theoretical perspective, Levitt and Jaworsky (2007) emphasize that cultural affinity and identity are central to understanding the motivations behind transnational practices. In the context of diaspora investments in Ghana, this perspective helps explain how cultural and emotional ties influence investment decisions, shaping the sectors in which diaspora investors choose to engage through the GIPC's initiatives.

3.4.2 The GIPC Act, 865 and Capital Requirement Challenges

Diaspora investors or enterprises are considered eligible for foreign participation under Act 865. Section 28 of the Act does not reserve certain investments, businesses, or enterprises exclusively for Ghanaians, allowing diaspora participation as long as the investor meets the minimum capital requirements (Bilsilki, 2024). Specifically, diaspora investors are required to provide a minimum business capital of USD 200,000. In the case of joint ventures with a Ghanaian partner, this capital may be contributed in cash, in-kind (goods), or a combination of both (GIPC, 2023).

From a theoretical perspective, Lamba (2011) argues that diaspora investors often engage in activities that simultaneously benefit their host and home countries. This dual engagement highlights the mutual gains arising from diaspora investments in Ghana and illustrates how the GIPC's facilitation of such investments contributes to economic development, not only in Ghana but also in the diaspora's countries of residence.

For diaspora investors seeking to engage in trading enterprises, Act 865 requires a minimum investment of USD 1,000,000, which may be in cash, goods, or services. Additionally, such investors are mandated to employ at least twenty (20) Ghanaian nationals. Diaspora investments in this context include activities such as the sale and purchase of imported goods and services, as stipulated under the Act (Bilsilki, 2024).

When partnering with a Ghanaian investor, the Ghanaian partner must hold a minimum of ten percent (10%) equity in the joint investment. According to the Incorporated Private Partnership Act, 1962 (Act 152), a partnership investment is defined as the association of two or more individuals who come together to carry out business jointly for the purpose of generating investment profits (Bilsilki, 2024). In cases where the investment is solely owned by a diaspora investor, Act 865 requires a minimum foreign capital of USD 500,000, which may consist of cash, capital goods, or a combination of both as equity in the business (Bilsilki, 2024).

Exceptions to the minimum capital requirements are provided under certain conditions. For instance, a diaspora spouse married to a Ghanaian citizen may be exempt from the capital requirement if the marriage has lasted more than five years continuously or if the spouse holds an indefinite residence permit before registering the business. Additionally, the marriage must be verified as valid, and the diaspora spouse must ordinarily reside in Ghana (GIPC, 2023).

Furthermore, a diaspora individual with dual citizenship in Ghana is not subject to the minimum foreign capital requirement. The capital requirement also does not apply to investments in shares or bonds mandatorily convertible into shares, securities traded on the Ghana Stock Exchange, or enterprises established solely for export trading and manufacturing (Bilsilki, 2024).

These were the views of stakeholder in addressing the challenges faced by the GIPC in facilitating the Diaspora investments, under the GIPC Act 865. A stakeholder had this to say, “*one significant*

challenge is the high minimum capital requirement of \$500,000 for wholly owned diaspora investments. This threshold discourages smaller investors who might otherwise contribute to Ghana's economy". Another stakeholder noted that "unfortunately, the Act doesn't clearly define what constitutes a partnership between a diaspora investor and a local Ghanaian business. This lack of clarity often complicates collaborations and limits the formation of strategic alliances".

In addition, this was a view expressed by a stakeholder, *"we are actively engaging stakeholders to revisit these thresholds and provide clearer partnership guidelines. Simplifying these processes will make Ghana a more attractive destination for diaspora investors".*

On restrictions of the Diaspora investment under Act 865. These were some views shared by stakeholders, *"the Act 865 reserves certain investments exclusively for Ghanaians. These include small-scale businesses such as hawking, barbering, and retailing goods like sachet water and scratch cards. Another stakeholder had this to say, "while these protections aim to preserve opportunities for local Ghanaians, they limit the range of sectors where diaspora investors can engage. Many diaspora investors with cultural ties to Ghana might be keen to contribute to these areas but are unable to do so".*

From the various opinions shared, these common challenges highlighted were high capital requirements, sector restrictions, and ambiguous partnership definitions while emphasizing the potential for policy adjustments to make the Diaspora investments more inclusive.

3.5 The Impact of Diaspora Investments Facilitated by the GIPC on the Economic Development of Ghana

The study objective assessed the impact of Diaspora investments facilitated by the GIPC on the economic development of Ghana

3.5.1 Impact of GIPC Investment

The GIPC has recently been commended for its role in facilitating international investment in Ghana and fostering a conducive environment for diaspora investors. According to the World Bank (2019), Ghana ranks as the top country in West Africa for ease of doing business. The Ghanaian economy has experienced significant growth, in part due to the GIPC's efforts. In the first half of 2021, the GIPC reported facilitating a total of 122 investments, valued at approximately \$874.01 million. Of this total, foreign direct investment (FDI) accounted for \$829.29 million, representing a 32.15% increase compared to the \$627.52 million in FDI recorded during the same period in 2020. Furthermore, the GIPC has been recognized as the Best Investment Promotion Agency in West Africa for its contributions to business creation and investment facilitation (World Bank, 2019).

3.5.2 Adherence of Investment Procedure in Ghana

Under Act 865, any individual or entity intending to start a business for its stated objectives must register or incorporate the business in accordance with the Companies Act and any other applicable legislation. This requirement implies that a business must first be incorporated as a corporation to qualify as an “enterprise” under Act 865. Consequently, business entities such as sole proprietorships or partnerships may not be recognized as enterprises under this framework. In addition to incorporation under the Companies Act, the business must comply with other relevant industry-specific laws, including regulations governing securities, banking, mining, insurance, and other sectors, as well as register with the GIPC (Bilsilki, 2024).

Act 865 further mandates that any enterprise engaging in overseas or diaspora investment must register with the GIPC to access the benefits and protections provided under the law. Once a completed registration form is submitted, the GIPC is required to finalize the registration process within five working days. Critics of transnationalism caution that the theory may overly homogenize the diverse nature of diaspora communities, neglecting variations in individual and group experiences, motivations, and patterns of engagement (Glick Schiller, 2005).

3.5.3 Reservation of Investments for Ghanaian

The GIPC Act 865 specifies certain investment activities that are exclusively reserved for Ghanaian nationals. Under the Act, participation in these reserved sectors is prohibited for individuals who are not citizens of Ghana or for businesses not solely owned by Ghanaians (Bilsilki, 2024). Reserved activities include the sale of goods or provision of services in local markets, hawking, operating stalls, running taxi or car hire services with fleets of fewer than twenty-five vehicles, and operating barber shops or beauty salons. These restrictions aim to protect small and medium-scale enterprises for Ghanaian ownership and participation.

However, the Act also provides opportunities for foreign and diaspora investors to participate in other sectors, provided they meet minimum foreign capital requirements. For joint ventures with a Ghanaian partner, diaspora investors must invest a minimum of USD 200,000. In cases where a foreign investor wholly owns the business, the minimum investment is USD 500,000, which may be contributed as cash, capital goods, or a combination of both (Bilsilki, 2024). Scholars note that while transnationalism theory explains diaspora engagement in home country investments, it may not fully account for the power dynamics between diaspora communities and their countries of origin, as diaspora practices can sometimes reinforce global inequalities (Faist, Fauser, & Reisenauer, 2013).

The views of stakeholders were sought on the impact of the Diaspora investment in Ghana. One of the stakeholders noted that *“Ghana’s favorable investment climate, supported by the GIPC Act 865, is a key factor. This framework ensures streamlined registration, adherence to local laws like the Companies Act, and quick processing times of businesses can be registered within five working days. Additionally, the country’s stable political environment and strategic location make it an attractive hub for West African investments”*.

Another stakeholder had this to say, *“these investments have driven growth in key sectors such as manufacturing, real estate, and technology, creating jobs and contributing to GDP. The policy balance between protecting local industries and attracting diaspora investments ensures sustainable economic development while fostering inclusive growth”*.

A stakeholder noted that *“the increasing Diaspora investment has contributed to the GIPC’s recognition as the best Investment Promotion Agency Ghana, such that the GIPC has proactive policies, efficient procedures, and a commitment to transparency. We ensure investments are well-facilitated, providing aftercare services to make investors feel secure. These efforts have positioned Ghana as the best place for doing business in West Africa”*.

From the various views shared, this highlights the GIPC's achievements and challenges from investment opportunities being created for the Diaspora investors in the country.

3.6 The Capacity, Strategy and Initiatives to Effectively Leverage Diaspora Resources for Ghana’s Development

The last objective examined the capacity, strategy and initiatives to effectively leverage Diaspora resources for Ghana's development.

3.6.1 The GIPC Policy Framework Investment in Ghana

The investment policy framework in Ghana is underpinned by the Ghana Investment Promotion Centre (GIPC) Act 2013 (Act 865). This legislative framework was enacted by the Government of Ghana to regulate investments within the country and to provide a structured and supportive environment for both foreign (including diaspora) and domestic investors (Bilsilki, 2024). Act 865 plays a pivotal role in shaping the country's investment regime, offering a clear policy framework for modeling diaspora investment opportunities in a business-friendly environment. Under this Act, the GIPC, as the government agency responsible for investment promotion, is mandated to establish and support business enterprises with specific responsibilities and objectives, including:

- Encourage and promote investment in Ghana.
- Make provision to attract incentive and transparent, predict and facilitate business environment for investment.

Under Act 865, all diaspora investments, including enterprises, industries, and projects, require that investors intending to establish a business first incorporate or register their enterprise in accordance with the Companies Act, 2019 (Act 992), the Registration of Business Names Act, 1962 (Act 151), and the Investment Promotion Act, 2013 (Act 865) (Bilsilki, 2024). These legislative frameworks collectively provide the legal basis for establishing or investing in Ghana. To qualify as an enterprise under these Acts, any diaspora investor must incorporate their business entity, which may take the form of a partnership, sole proprietorship, or company. The GIPC ensures that all businesses incorporated under the Companies Act comply with relevant sector-

specific regulations, particularly for industries such as banking, mining, insurance, agriculture, and others (GIPC, 2023).

The policy framework further requires that diaspora-owned businesses be registered with the GIPC. Act 865 mandates that all foreign participation in Ghanaian business must be registered with the GIPC to qualify for associated benefits and guarantees. As a result, diaspora investments registered with the GIPC become entitled to the protections and incentives outlined under the Act (GIPC, 2023). Additionally, the Act specifies that the registration process for all diaspora businesses must be completed within five working days from receipt of the completed registration application, provided the GIPC is satisfied that all required conditions are met.

By the Act 865, all Diaspora investments including enterprise, industries and projects, undertaken by any investor, requires that the person who intends to invest or establish an enterprise for any purposes must first seek to incorporate or register his or her enterprise or business in accordance with the Companies Act, 2019 (Act 992) and Registration of business names Act, 1962 (Act 151) in addition to the investment promotion Act, 2013 (Act 865) are the key relevant Acts to establish or invest in Ghana (Bilsilki, 2024).

All Diaspora investments requirement presupposes that any investor has to qualify as an enterprise under the Acts must first be incorporated as a business entity, such as partnership or sole proprietorship under these Acts. The GIPC ensures that all incorporations under the Companies Act are applicable to all Diaspora investments incorporated into a company for interested companies such as being interested in banking, mining, insurance or agriculture among others (GIPC, 2023).

The policy framework ensures that Diaspora businesses are also registered with the GIPC, and the Act 865 requires that all foreign participations in business are permitted under the Act to register

with the GIPC. The investment policy framework (Act 865) mandates the GIPC to confer some benefits for Diaspora investors (GIPC, 2023). As a result, all investments from the Diaspora who are registered with the GIPC become entitled to these benefits and guarantees. In furtherance, specifically, the registration process of all Diaspora businesses under the Act 865 shall within five working days of receipts of the completed registration and the GIPC must be satisfied with these following conditions;

- Basically; the important documents for registration are valid and in order.
- The investment has the minimum foreign capital requirements have been complied with by law and.
- The investor has paid the required registration fee(s).

The Act 865 makes it mandatory for Diaspora investments who are recognized as foreign partners are permitted to register with the GIPC. For Ghanaian, wholly owned businesses or enterprise sometimes may or not register with the GIPC. However, it is mandatory for all Diaspora investment who are considered as foreign participation to renew their registration with the GIPC every two years (GIPC, 2023).

The Act 865 guarantees an enabling environment for investments to thrive and playing ground for both foreign investors and citizens. Accordingly, a Diaspora investor, employers or workers are entitled to the same rights and subject to the same duties and obligations applicable to citizens of Ghana (Bilsilki, 2024). The GIPC must not discriminate against any Diaspora investor or give special treatment based on the country of origin or nationality. All Diaspora investors shall be subject to the same laws that apply to domestic enterprises, in relation particularly to:

- licenses or permits that are required of any business or enterprises for conducting specific business operations.

- maintenance of business books and records in accordance with the recognized accounting standards.
- insurance requirements applicable to similar enterprises and taxes required to be paid by enterprises engaged in similar activity.

This is a prohibition against discrimination. Subject to the constitution of the Republic of Ghana or any other law, including the Act, no enterprise shall be nationalized or expropriated by the Government of Ghana. Additionally, a person who owns, wholly or in part, the capital of an enterprise shall not be compelled by law to cede the person's capital to another party (GIPC, 2023).

The above provision to the effect that an investor shall not be compelled by law to cede his or her capital to another person, resonates with the constitutional right of all persons in Ghana at any given time. However, it is doubtful that the provision would operate to bar an execution of a judgment of a court of competent jurisdiction against a business or partner of an investor (Bilsilki, 2024).

A stakeholder had this to say regarding the GIPC Act 865 and investments. *“the section 31 (2) of, Act 865 provides as follows, the Republic shall not acquire an enterprise to which this Act applies, unless the acquisition is in the national interest or for a public purpose and the acquisition must be done under the law which makes provision for payment of fair and adequate compensation, the right of access to the High Court for the determination of the investor's right or interest and the amount of compensation to which that investor is entitled”.*

The Act 865, guarantees enterprises unconditional transferability in freely changeable currency of shares or net profits attributable to the investment made in the enterprise, or payments in respect of loan servicing where a foreign loan has been obtained; fees and charges in respect of transfer agreement registered under the Act and remittance of proceeds, net of all taxes and other

obligations, in the event of sale or liquidation of the business or any interest attributable to the investment in the enterprise (Bilsilki, 2024).

This guarantee is subject to the Foreign Exchange Act, 2006 (Act 723) was enacted in 2006 by Ghana's parliament to regulate goods and services (Foreign Exchange Act, 2006). The Act 723 permits investors or businesses to have access to foreign accounts with any local banks in the country. It ensures that residents and nonresidents have foreign bank accounts, and these financial institutions are supposed to provide or submit reports of all transactions to the bank of Ghana (Foreign Exchange Act, 2006). This mandates investors to operate and conduct businesses in and out of the country (Bilsilki, 2024).

3.6.2 Investment Dispute Resolution Procedures

The Act 865 makes room for the settlement of disputes that may arise in the course of doing business between any Diaspora investor in Ghana. The Act requires that efforts must be made to reach amicable settlements in the dispute related to investment operations. Whereas any dispute in respect of investments, the Act applies that if a dispute is not settled through mutual discussions within six months, an aggrieved investor has the option to submit the dispute to arbitration.

With regards to investment dispute this was the view expressed by a stakeholder, *“in the case of any Diaspora investment must be based on government of Ghana investment regulations or procedure for arbitration on International Trade Laws under the United Nation Trade Commission, or within the framework of any bilateral or multilateral agreement on investment protection to which the Government of Ghana and the country of which the Diaspora investor(s) is/are national are parties or in accordance with any other national or international possess for the settlement of investment disputes agreed to by the affected investors”*.

Another stakeholder noted that *“the trade law specific “the promotion of international trade and must ensure to reduce litigation cost, given to the investor”*.

It is significant to note that government of Ghana, under the GIPC has signed and ratified the international convention on the recognition of Foreign Arbitral Awards or New York Convention (New York, 1958), thus makes Ghana to receptive to recognition and enforcement of any arbitral award. Due to the fact the Ghana is a signatory to the (New York, 1958) convention in the world. The law gives the Diaspora investor in Ghana the latitude to explore a broad spectrum of avenues to seek legal redress without any fear of issues of recognition or enforcement in Ghana (Bilsilki, 2024).

The GIPC Act 865 requires the regulator (Ghana Investment Promotion Centre) to register to keep records of any investment in technology transfer agreements. This makes the GIPC register agreement, monitor and ensure compliance with the conditions and terms of the agreements, such that the investor or business may enter into any technology transfer agreement considered as appropriate for business operations. The technology transfer agreement by law includes the following;

- The sale, licensing, or assignment of any forms of property, except trademarks, service and trade names which may not be part of the technology transfer.
- Provision of expertise in technology feasibility studies, plans, models, instructions, formula, basic or detailed engineering, specifications for equipment and training. Also, any services which involved technical advisory, managerial or personnel training.
- Provision of technological knowledge which may be necessary for the installation, operation, functioning of plants or equipment, and projects and.

- Establishment of knowledge necessary to install, use machinery, equipment, goods or raw materials being acquired by purchase or lease.

The GIPC Act 865, requires the regulation of technology transfer agreement in Ghana and to make it possible for Diaspora investment a friendly and flexible business environment with the global technological standard. By this, any investor from the Diaspora can established his or her business related to technology operations in Ghana, to have access or benefit from the property rights services of investor which may not readily be available in Ghana. The GIPC Act 865, is strategically formulated for technology transfer regime to sustain investment or enterprises to aid develop Ghana's economy.

3.6.3 Promoting Investment in Ghana

Any investor commits an offence under the GPIC Act 865, if the person or entity is required by the Act to register with the GIPC but failed to register or renew his or her investment commits an offense (GIPC, 2023). Similarly, if the investor is funded to be engaged in any investment activities rather than what his or her business was registered for, other than any activities for which the investment or enterprise has been registered under the Act 865, commits an offense.

A stakeholder shared his view on the processing of addressing investment offenses; *“any benefit conferred under the Act 865, for purposes rather than the purpose for which the benefit was conferred, refusal or neglect to give any information to the GIPC, reasonably requires for the purpose of the Act or the refusal without lawful excuse to admit to officers or designated agents into the premises of the investments or otherwise obstructs officers or designated agents of the agency (GIPC) in the performance of their functions commits an offense”*.

For the purpose of investment, any act deliberately or negligence and submits a false or misleading investment information to the GIPC, or lets out a stall, store or market by any foreigner investor.

These investment violations contravene the provision of the GIPC Act 865 in Ghana (GIPC, 2023).

3.6.4 Investment Sanctions

The GIPC Act 865 prescribes sanctions applicable to all diaspora investors to ensure compliance with investment regulations. For example, any foreign investor or enterprise found guilty of an offense under the Act is liable, upon summary conviction, to a fine of not less than five hundred (500) penalty units and not more than one thousand (1,000) penalty units (Bilsilki, 2024). Scholars argue that transnationalism theory may not fully address the power differentials between diaspora communities and their home countries, as transnational practices are often influenced by unequal power dynamics, with diaspora actors sometimes positioned as agents reinforcing global inequalities (Faist, Fauser, & Reisenauer, 2013).

In cases of continuing or repeated offenses, additional fines ranging from twenty-five (25) to fifty (50) penalty units are imposed for each day the offense persists. As of February 2023, one penalty unit is equivalent to a fine of GHS 12.00. Additional sanctions may include the suspension of registration, refusal to renew, or cancellation of the enterprise's registration in Ghana, alongside the monetary fines (Bilsilki, 2024).

The enforcement of such regulations is critical, as diaspora investments provide not only direct capital but also broader developmental benefits. Remittances, for instance, constitute a significant source of financial resources for developing countries, often exceeding official development assistance and even foreign direct investment flows. Beyond capital, remittances also support improvements in education, health, and housing outcomes within local communities, demonstrating the broader socio-economic impact of diaspora financial engagement (Ratha, 2007).

3.6.5 The Overall Relevance of the GIPC Act 865

An important aspect of the GIPC Act 865 is that the investment policy framework guarantees diaspora investors protection from undue interference by the Government of Ghana in the affairs of their established businesses. The Act also provides clear guidelines for investment arbitration, offering favorable mechanisms for resolving disputes involving foreign investors, thereby enhancing Ghana's attractiveness as an investment destination.

Furthermore, the regulatory and compliance provisions of the GIPC Act 865 facilitate technology transfer agreements, ensuring that Ghana benefits from the knowledge, skills, and innovations associated with diaspora investments. These technology transfer agreements are not limited to a specific sector but encompass a wide range of industries, including banking, mining, insurance, security, agriculture, and other areas, thereby promoting broader economic and technological development in the country.

3.7 Conclusion

The study provides a comprehensive analysis of the Ghana Investment Promotion Centre's (GIPC) efforts to attract and facilitate diaspora investments in Ghana, highlighting strategies, challenges, impacts, and policy recommendations under the Ghana Investment Promotion Act (Act 865). As a key strategy, the GIPC established the Diaspora Investment Desk in 2019 to foster partnerships and encourage diaspora engagement, offering investment incentives such as tax exemptions, duty-free imports, and support with land acquisition and permits. The Centre actively promotes sector-specific opportunities in agribusiness, energy and infrastructure, real estate, manufacturing, and technology.

Despite these efforts, investors face significant challenges. High minimum capital requirements (USD 500,000 for wholly owned diaspora investments) discourage smaller investors, while certain sectors—such as small-scale retail, barbering, and taxi services—are reserved exclusively for Ghanaians, limiting diaspora participation. Additional regulatory ambiguities and compliance issues further complicate partnerships and deter potential investors. Economically, diaspora investments have had a notable impact on Ghana, with infrastructure, technology, and manufacturing sectors benefiting substantially. For instance, foreign direct investment (FDI) recorded through the GIPC reached USD 829.29 million in the first half of 2021, representing a 32.15% increase from the same period in 2020. These investments have driven job creation, technological advancement, and infrastructure improvements.



CHAPTER FOUR

FINDINGS, CONCLUSION AND RECOMMENDATION

4.1 Introduction

The chapter provides detailed information related to the study findings, after analyzing the role of the Ghana Investment Promotion Centre (GIPC) in attracting Diaspora investments in Ghana. It draws conclusion based on the study findings and makes suggested recommendations of the study.

4.2 Finding of the Study

The study's main objective was to critically evaluate the role, initiatives, and institutional collaborative mechanisms of the GIPC in attracting and facilitating diaspora investment. The following subsection is based on the specific objectives of the study.

4.2.1 The Current Strategies Employed by the GIPC to Engage the Ghanaian Diaspora in Investment Activities

The study examined the current strategies employed by the Ghana Investment Promotion Centre (GIPC) to engage the Ghanaian diaspora in investment activities. Findings indicate that the GIPC operates a well-defined and structured policy framework for investment. Although the GIPC Act 865 was enacted in 2013 to promote investments in Ghana, the establishment of the Diaspora Investment Desk in 2019 marked a strategic effort to strengthen economic relationships between diaspora communities and the country. The desk was tasked with coordinating investment opportunities, programmes, and harnessing Ghana's resource potential to accelerate economic growth.

The study revealed that the GIPC Diaspora Investment Desk follows comprehensive procedures for facilitating diaspora investments, including:

- Investors are required to submit necessary business documents and pay registration fees to the GIPC.
- Investors must obtain licenses and permits from relevant government agencies, including business registration with the Registrar General's Department and acquiring a Tax Identification Number (TIN) from the Ghana Revenue Authority. The GIPC guides investors through these processes.
- Depending on the type of investment, land may be acquired through lease or purchase. The GIPC assists investors throughout the acquisition process.
- Investors can explore financial options from accredited institutions, including banks and other capital funds. The GIPC connects investors to these institutions and provides advisory support.

The findings suggest that the Diaspora Investment Desk is an effective policy model for outreach and mobilization, providing essential advisory services and facilitating permits and licenses. The study also highlighted the GIPC's collaboration with other government agencies, such as the Free Zones Authority, Registrar General's Department, Ghana Revenue Authority, and financial institutions. This formal, coordinated engagement ensures investors meet regulatory requirements, including business registration renewal and tax compliance, contradicting previous studies that suggest investment promotion agencies (IPAs) lack institutional collaboration frameworks.

Regarding investment opportunities, the study identified key sectors targeted by the GIPC Diaspora Investment Desk, including agribusiness, real estate, energy, infrastructure, manufacturing, and technology. Specifically, opportunities exist in aquaculture, crop cultivation, livestock farming, agro-processing, renewable energy (solar, hydro, thermal), roads, ports, and railways through Public-Private Partnerships (PPPs). In real estate, investment prospects include

affordable housing, hotels, and resorts, while the manufacturing sector offers opportunities in textiles, pharmaceuticals, rubber, and automobile assembly. The technology sector, characterized by rapid growth, provides opportunities in software development, fintech, e-commerce, and telecommunications.

These findings align with existing literature indicating that specialized IPAs prioritize diaspora engagement to leverage national development effectively. The GIPC Diaspora Investment Desk exemplifies how hybrid identities and cross-border networks enable diaspora populations to act as a bridge for investment and development. Incentives offered include tax holidays, exemptions from corporate tax for up to ten years, import duty exemptions, and relief from double taxation, confirming previous studies that diaspora investors require tailored information, incentives, and facilitation to overcome barriers to investment.

4.2.2 To Analysed Challenges Encountered by the GIPC in its Efforts to Attract and Facilitate Diaspora Investments

The study revealed that the Ghana Investment Promotion Centre (GIPC), as an Investment Promotion Agency (IPA), possesses the capacity to attract and facilitate investments from diaspora populations. However, several challenges hinder the full realization of diaspora investment potential in Ghana.

A primary barrier is the minimum capital requirement of USD 1,000,000 for wholly owned diaspora investments. This high threshold disproportionately affects smaller diaspora investors who may lack sufficient resources, forcing many to seek alternative investment destinations with lower entry requirements.

Another significant challenge relates to ambiguities in the GIPC Act 865 regarding what constitutes a valid partnership. This lack of clarity complicates collaboration, creating barriers to

forming mutually beneficial partnerships between diaspora investors and local Ghanaian businesses.

Additionally, sector-specific restrictions further limit diaspora participation. The Act reserves certain small-scale businesses, such as hawking, retailing, barber shops, and beauty salons, exclusively for Ghanaian nationals. These prohibitions restrict diaspora investors from participating in segments of the local economy where they may have both interest and expertise. While foreign participation is permitted in some sectors, exceptions such as the retail of finished pharmaceutical products remain off-limits, creating frustration among diaspora investors.

For diaspora investors entering joint ventures with Ghanaian partners, the Act requires a minimum contribution of USD 200,000 in cash or capital goods, with the Ghanaian partner holding at least 10% equity. This requirement poses challenges in identifying reliable local partners and in meeting capital thresholds, particularly for smaller diaspora investors.

Some exceptions to capital requirements exist, such as for diaspora investors married to Ghanaian citizens for over five years or holding an indefinite resident permit. While these provisions offer limited relief, they apply only to a small subset of the diaspora population and are insufficient to address broader investment barriers.

The study findings confirm existing literature that diaspora investment necessitates proactive policy frameworks to overcome capital and regulatory barriers while leveraging the diaspora's intrinsic commitment to their country of origin. Despite these challenges, the GIPC continues to actively engage diaspora populations through structured incentives, advisory services, and sector-specific opportunities to facilitate investment.

4.2.3 To Evaluate the Impact of Diaspora Investments Facilitated by the GIPC on the Economic Development

The study found that the Ghana Investment Promotion Centre (GIPC) has played a pivotal role in enhancing Ghana's position as a destination for diaspora investment. Ghana has recently received positive international recognition for its investment-friendly climate, though evidence on the economic returns specifically from IPA-facilitated diaspora investments across different countries remains limited.

In 2019, the World Bank recognized Ghana as a hub for conducting business in West Africa, highlighting the country as a top destination for diaspora investments in the region. This recognition underscores the confidence of international investors in Ghana's business environment. In the first half of 2022, the GIPC facilitated 122 investments totaling approximately USD 874.01 million, compared to USD 829.29 million in 2021. This upward trend reflects growing investor confidence and demonstrates the effectiveness of GIPC's investment promotion strategies.

The study also found evidence of economic returns from diaspora investment. In 2022, the World Bank recognized GIPC as the best government agency in Ghana for promoting investment, highlighting its role in fostering a favorable environment for both local and diaspora investors.

The GIPC has established clear standards and procedures for diaspora investors wishing to start businesses in Ghana. Investment begins with registering or incorporating a business in compliance with the Companies Act and other relevant legislative instruments. To qualify for investment under GIPC Act 865, investors must incorporate their businesses as corporations, ensuring adherence to local legal and regulatory standards before commencing operations. The GIPC guarantees registration of investors within five working days once a complete registration form is submitted.

While certain sectors are exclusively reserved for Ghanaian nationals, the GIPC allows diaspora investors to participate in other sectors under specific conditions. For joint ventures with Ghanaian partners, the minimum required capital is USD 200,000. For wholly owned businesses, the minimum is USD 500,000, in cash, capital goods, or a combination of both. Although these thresholds are designed to attract substantial investments and ensure diaspora investors contribute meaningfully to Ghana's economic development, they may act as a deterrent for smaller diaspora investors, limiting opportunities for smaller-scale entrepreneurial ventures.

The study confirms that IPAs strengthen organizational capacity for attracting and facilitating investments. In the case of GIPC, the agency has streamlined investment procedures and created a welcoming business environment for diaspora investors. Unlike other contexts where evidence of economic returns from IPA diaspora investment facilitation is limited, the GIPC has contributed to significant increases in foreign investment, positioning Ghana as a hub of investment in West Africa. The agency's recognition by the World Bank further underscores its effectiveness as a frontline institution promoting diaspora investment and accelerating national economic growth.

4.2.4 Assessing GIPC's Capacity, Strategy and Initiatives to Effectively Leverage Diaspora Resources for Ghana's Development.

The study findings indicate that GIPC Act 865, enacted by the Government of Ghana, serves as the primary legal framework for regulating and facilitating diaspora investments in the country. The Act provides a business-friendly environment by establishing clear guidelines for investment procedures and ensuring that diaspora investors are treated on par with domestic businesses. Investors enjoy the same rights and are subject to the same obligations, including tax compliance,

license acquisition, and maintaining business records according to recognized accounting standards.

Under the Act, diaspora investors are required to register their businesses with the GIPC in accordance with the Companies Act and other relevant Ghanaian laws, ensuring that all foreign enterprises operate within the country's legal framework. The Act also mandates that investors meet specific capital thresholds: USD 500,000 for wholly owned diaspora businesses and USD 200,000 for joint ventures with Ghanaian partners. Registration with the GIPC is valid for two years, after which renewal is required to maintain compliance with regulations.

Dispute resolution is a key feature of the Act. GIPC Act 865 encourages amicable settlement of disputes between diaspora investors and local businesses. If unresolved within six months, disputes may be referred to arbitration under Ghanaian investment regulations or international trade laws, including the United Nations Trade Commission framework.

The Act also governs technology transfer agreements, encompassing the sale, licensing, or assignment of intellectual property (excluding trademarks and trade names), as well as the provision of technical expertise, training, and knowledge transfer necessary for machinery and equipment operation. These provisions are designed to foster a flexible, globally aligned business environment, particularly for high-tech industries, and ensure that Ghana benefits from transferred skills and technology.

GIPC Act 865 guarantees legal protection for diaspora investors, ensuring that enterprises are not expropriated or nationalized except in cases of national interest. Investors are also protected from having to cede their capital to other parties by law. The Act stipulates penalties for non-compliance, including failure to register with GIPC or engaging in unauthorized investment activities. Offenses are punishable by fines ranging from 500 to 1,000 penalty units (approximately

GHS 6,000–12,000), with continued violations attracting daily fines of 25 to 50 penalty units (approximately GHS 300–600 per day).

The study findings confirm that transnational and diaspora frameworks highlight the hybrid identities and cross-border networks that enable diaspora populations to serve as bridges for investment and development. Through GIPC, diaspora investors operate under both domestic and international trade laws, allowing for effective mobilization of diaspora resources for national development. Moreover, strict compliance and sanctions under Act 865 ensure accountability, deter false declarations, and strengthen governance in diaspora investment activities. By leveraging these regulatory mechanisms, policymakers can harness diaspora resources while navigating the complexities of globalization to achieve local development objectives.

4.3 Conclusion

The Ghana Investment Promotion Centre (GIPC) operates under a well-defined and structured policy framework established by the GIPC Act 865. Enacted in 2013, the Act promotes and regulates investment in Ghana, empowering the GIPC to foster an environment conducive to both domestic and diaspora investments. It also ensures collaboration with other government agencies and departments to facilitate diaspora engagement.

Through essential advisory services, facilitation of permits, assistance with land acquisition, and strategic partnerships with other government institutions, the GIPC has significantly contributed to attracting and retaining foreign investments. Key sectors targeted for diaspora investment include agribusiness, energy, infrastructure, real estate, manufacturing, and technology, with tailored policies and incentives designed to make Ghana an attractive investment destination.

Despite these successes, challenges remain. High minimum capital requirements, sector-specific restrictions, and ambiguities in partnership guidelines between diaspora investors and local businesses continue to pose barriers for potential investors. Nevertheless, the GIPC's achievements—evidenced by increasing Foreign Direct Investment (FDI) and international recognition as a leading investment promotion agency highlight its effectiveness in facilitating investment flows into Ghana.

Looking forward, addressing these challenges through lowering capital thresholds, clarifying partnership definitions, and expanding diaspora participation across more sectors—could unlock additional economic potential. The GIPC's capacity to adapt and refine its policies will be critical to ensuring that both large and small diaspora investors can fully leverage the opportunities Ghana offers, thereby accelerating the country's economic development.

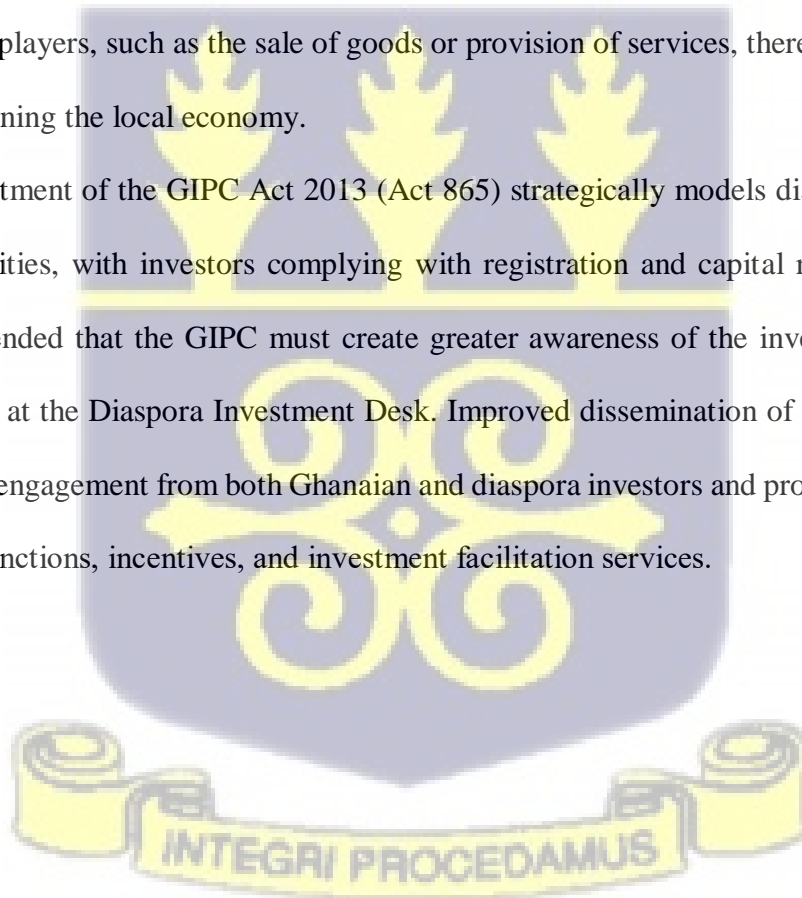
4.4 Recommendation

Based on the study findings and conclusions, the following recommendations are proposed:

1. The study found that the GIPC's Diaspora Investment Desk effectively links investors from the diaspora to build healthy economic relationships with Ghana in sectors such as agriculture, technology, manufacturing, and real estate. It is recommended that the Ghana Investment Promotion Centre (GIPC) must formulate tax exemption policies specifically for the agricultural sector. Enhanced exemptions on agricultural products, machinery, and inputs could encourage diaspora investors to invest in agriculture, increase productivity, and ensure sustainable food security.
2. A major challenge identified is the high minimum capital requirement of USD 1,000,000 for wholly owned diaspora investments, which discourages smaller investors and drives

them to consider alternative countries. It is recommended that the GIPC should implement policies to reduce the minimum capital requirements, making it more feasible for diaspora investors to invest. Lower thresholds would attract more investment into local industries, creating additional employment opportunities for Ghana's youth.

3. The study revealed that the establishment of the Diaspora Investment Desk has positioned Ghana as a top destination for diaspora investments, with 122 investment opportunities valued at approximately \$874.01 million facilitated in the first half of 2022. It is recommended that the GIPC must encourage partnerships between Ghanaian businesses and diaspora investors. Such collaboration could expand investments into sectors reserved for local players, such as the sale of goods or provision of services, thereby sustaining and strengthening the local economy.
4. The enactment of the GIPC Act 2013 (Act 865) strategically models diaspora investment opportunities, with investors complying with registration and capital requirements. It is recommended that the GIPC must create greater awareness of the investment portfolios available at the Diaspora Investment Desk. Improved dissemination of information could increase engagement from both Ghanaian and diaspora investors and provide clarity on the desk's functions, incentives, and investment facilitation services.



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Appendix 1

STRUCTURED INTERVIEW

UNIVERSITY OF GHANA, LEGON CENTRE FOR INTERNATIONAL AFFAIRS AND
DIPLOMACY (LECIAD)

The research is being conducted by final year student at the University of Ghana, on the topic; **THE ROLE OF THE GHANA INVESTMENT PROMOTION CENTRE IN ATTRACTING AND FACILITATING DIASPORA INVESTMENTS IN GHANA.** Your participation is much needed to help make the research successful. All information on participants will be treated with confidentiality.

Section one: Biodata

1. What is your gender?.....
2. Indicate your age?.....
3. State your educational background?.....
4. Indicate the number of years served in the organization?.....

Section Two: The Current Strategies Employed by The GIPC To Engage the Ghanaian Diaspora in Investment Activities.

5. Can you share an overview of the Ghana Investment Promotion Centre (GIPC) and its primary objectives, especially in relation to diaspora engagement?
6. How does the GIPC currently approach the promotion of investment opportunities to the Ghanaian diaspora?
7. Could you describe some successful initiatives or events that have attracted diaspora investment?

Section Three: The Challenges Encountered by The GIPC In Its Efforts to Attract and Facilitate Diaspora Investments

8. What are the major challenges the GIPC faces when attracting diaspora investments?
9. How do issues like regulatory requirements, awareness, or accessibility affect the GIPC's efforts?
10. Has the GIPC faced challenges related to trust or credibility among the diaspora community?

Section four: The Impact of Diaspora Investments Facilitated by The GIPC On the Economic Development of Ghana

11. Can you share examples of how diaspora investments facilitated by the GIPC have impacted Ghana's economic development?
12. How does the GIPC measure the success or impact of diaspora investments on the local economy?
13. Are there specific sectors where the GIPC has seen significant contributions from diaspora investments?

Section five: Strategies of Enhancing GIPC's Capacity, Strategy and Initiatives to Effectively Leverage Diaspora Resources for Ghana's Development.

14. What strategies are in place or under consideration to enhance the GIPC's capacity to leverage diaspora resources more effectively?
15. Are there partnerships or collaborations the GIPC is pursuing to support these goals?
16. How does the GIPC envision the role of the Ghanaian diaspora in the nation's future economic landscape?



Thank you