

UNIVERSITY OF GHANA
COLLEGE OF HUMANITIES

**EXAMINING THE DETERMINANTS OF THE CHOICE OF
REMITTANCE CHANNELS BY GHANAIAN MIGRANTS**

BY

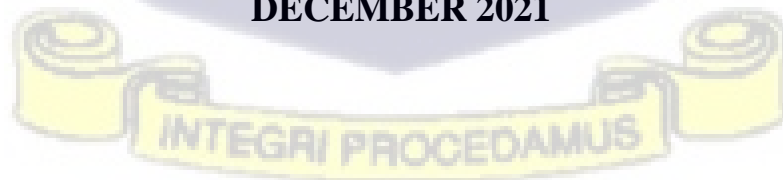
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**THIS THESIS/DISSERTATION IS SUBMITTED TO THE UNIVERSITY
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DECLARATION

I, hereby declare that with the exception of appropriately acknowledged work from relevant secondary sources, this dissertation, “**EXAMINING THE DETERMINANTS OF THE CHOICE OF REMITTANCE CHANNELS BY GHANAIAN MIGRANTS**”, emanated from my active fieldwork/research, carried out under the supervision of **Dr. Kofi Takyi Asante** and that the dissertation has not been presented elsewhere for the award of a degree whatsoever.

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(Supervisor)



DEDICATION

To my darling husband, Abel Nwalor, who held the fort while I pursued this degree, and to my shining stars, Kesideya and Kosisochukwu Nwalor, who learnt the meaning of the sentence “Mama is busy” from an early age.



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I will not fail to appreciate all my respondents, who trusted me with their stories, supported the research by introducing me to other migrants and even gave me ideas for further research.

Finally, to all my wonderful classmates, I salute you all. It was an honour serving as your class representative. Shine on!



ABSTRACT

Sending money to loved ones can be a balancing act for migrants who need to find the right remittance channel that meets the need of both the sender and the recipient. Advances in finance and technology have provided migrants a wide range of options, although access to these options are dependent on various factors such as host country regulatory framework and legal status of the migrant. This study assessed the formal and informal remittance channels patronised by migrants and examined the underlying factors that influence migrants' choice of a remittance channel, with particular focus on the social considerations which affect the economic action of migrants. The study employed a qualitative research approach, using in-depth interviews to explore and understand the main elements that went into the decision of a select group of Ghanaian migrants to utilise one remittance service provider over another. The study found that regular migrants mostly utilised formal channels while irregular migrants were constrained to using informal channels. The study concludes that migrants preferred remittance channels which enable them meet their social obligations in a meaningful and timely manner. Consequently, a key recommendation of the study is that Governments need to work collaboratively with the private sector to expand the legal pathways for remittance transfers, in view of economic and development implications of remittances.



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LIST OF ABBREVIATIONS

AIR	African Institute of Remittance
AU	African Union
BoG	Bank of Ghana
CBN	Central Bank of Nigeria
DAOOP	Diaspora Affairs, Office of the Presidency
DEP	Diaspora Engagement Policy
ECOWAS	Economic Community of West African States
FDI	Foreign Direct Investment
FinTech	Financial and Technology
FOREX	Foreign Exchange
GDP	Gross Domestic Product
GoG	Government of Ghana
GSS	Ghana Statistical Service
ID	Identity
IMF	International Monetary Fund
IOM	International organization for Migration
MADE West Africa	Migration and Development West Africa
MoMo	Mobile Money
MTOs	Money Transfer Operators
NMP	National Migration Policy
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
SDG	Sustainable Development Goals

SSA	Sub-Saharan Africa
UK	United Kingdom
UN	United Nations
UNDESA	United Nations Department of Economic and Social Affairs
US	United States of America
USD	United States Dollars



CHAPTER 1: INTRODUCTION

1.1 Background of the study

There is a growing number of works on the contribution migrants make to the economic development of their home countries. This contribution can come in the form of transfer of cash (also known as remittances), goods, knowledge and skills (Page & Plaza, 2006; Ratha, 2003). Ratha (2003) even went as far as positing that the so-called brain-drain experienced by developing countries due to emigration of skilled citizens is counterbalanced by the positive effects of remittances and the network effect of trade and investment. Taking cognisance of the nexus between migration and development, the United Nations (UN), in 2015, recognised migration and remittances, as a key contributor to the attainment of 12 out of the 17 Sustainable Development Goals (SDGs). Specifically, target 10.7 of the SDGs advocates for “orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies”. In addition, the UN has designated 16 June as the “International Day of Family Remittances” (United Nations, 2021).

At the continental level, the African Union (AU) has established an African Institute of Remittances (AIR) in recognition of remittances as a key transformational tool for the attainment of AU Agenda 2063. More stable than capital flows, remittances have become an important source of development finance for developing countries. According to the World Bank (2020), remittance flows to developing countries was \$554 billion in 2019, surpassing both Official Development Assistance (ODA) and Foreign Direct Investment (FDI). Specifically, Sub-Saharan Africa (SSA) received up to \$49 billion in remittances in 2019, with circa \$4.05 billion flowing to Ghana, thereby making Ghana the second highest remittance

receiving country in SSA. Over time, remittances have proven to be resilient in crisis situations such as during the 2008 global financial crisis, Ebola crisis and the COVID19 pandemic, where countries like Ghana even experienced a 5% increase in inflows. (World Bank, 2021b).

At the national level, the Government of Ghana (GoG) has recognised the development potentials of migration, which engendered the adoption of a National Migration Policy (NMP) in 2016. In addition, the government is currently working on a Diaspora Engagement Policy (DEP), all aimed at enhancing migration governance and mobilising the diaspora to maximise the migration-development nexus (Ministry of the Interior, 2016). According to the World Bank, remittance inflow to Ghana contributed up to 6% share of the GDP in 2019, exceeding both FDI and ODA. Research in Ghana has also shown that remittances are an important source of foreign exchange and contributes to poverty reduction and reversing inequality (Quartey, 2011).

The growing recognition of the migration-development nexus has led to an increased interest in maximising remittance transfers from migrants in destination countries to their countries of origin. While there is a lot of literature on the benefits and development potential of remittances, these are likely underestimated, because a high proportion of remittances to Africa are sent via informal channels and are therefore under-reported. Hence, the need to understand the different remittance channels available to migrants and the factors that inform a migrant's decision to remit via one channel or the other.

1.2 Problem statement

Ghanaians in the diaspora have two options for sending money to their loved ones in Ghana: formal or informal remittance channels. Formal remittance channels refer to official, regulated or licenced money transfer operators such as banks, while informal channels are unofficial, unlicenced and unregulated (e.g., bus companies, hand delivery etc). Estimates of remittance flows to Ghana by both the World Bank and Bank of Ghana (BoG) are based on transfers via formal remittance channels only. However, Mazzucato et al. (2008) estimates that two-thirds of remittance flows to Ghana is via informal channels, which could imply that the \$4.05 billion official estimate for 2019 might be closer to \$7 billion, if all remittance channels are considered. These estimates are not entirely surprising when compared to the figures for Sub-Saharan Africa (SSA), which put remittances via informal channels at 73% of all inflow (Teye et al., 2017). Although informal remittance channels are under-researched, different studies have estimated that global remittances via informal channels could range between 50% - 250% of total remittance flows (Buencamino & Gorbunov, 2002a; Ferriani & Oddo, 2019; Freund & Spatafora, 2008; International Organization for Migration, 2017).

A 2020 study by Developing Markets Associates, Global (also known as DMAglobal) found that informal channels such as hawala agents, hand carrying and use of bus networks are the most popular remittance channels between Ghana and Nigeria, an important destination country for Ghanaian emigrants (DMAglobal, 2020). The off-the-books nature of informal channels pose a problem for development planning, since projections and national planning can only be based on official figures from formal channels. Furthermore, there has been growing concerns about the risks associated with informal channels, such as fraud, money laundering, and terrorism financing etc. (Buencamino & Gorbunov, 2002). In addition, remittances sent via informal channels lead to a loss of some of its benefits at the macro and micro levels, such as: foreign exchange earnings; financial sector deepening; and credit

multiplier effects (Quartey, 2011). Despite the risks, migrants seem to prefer informal remittance channels for a number of reasons, namely: challenges with accessing financial services (for both sender and recipient); legal status of migrants; restrictive financial regulations; and high transfer costs of formal channels. The fact that migrants with access to formal channels still utilise informal channels clearly indicates that migrants consider several factors before choosing a remittance channel (Quartey, 2011; Teye et al., 2017).

Thus far, most studies on remittance channels focus on the economic factors that influence the decision to remit through a particular remittance channel; less emphasis is put on the social considerations underpinning the economic action. This study therefore aims to explore both the economic and social factors that motivate migrants to choose a particular remittance channel over another or to utilise a combination of both formal and informal channels, the risks associated with the respective channels and migrants' risk mitigation strategies.

1.3 Objectives of the study

In view of the important contribution of remittances to national development at the macro and microeconomic levels, as well as its contribution to the welfare and livelihood of recipients, understanding the factors that influence the choice of remittance channels will be instrumental in aiding government and the private sector design the appropriate policies and products to meet their clients' needs.

The overall objective of the study is to examine the underlying factors that influence migrants' choice of remittance channels, using Ghana as a case study. The specific objectives are to:

1. Identify the factors that affect migrants' choice of remittance channels

2. Outline the risks associated with different remittance channels
3. Examine the risk mitigation measures employed by migrants

1.4 Research Questions

The following research questions will guide the study:

- i. What factors affect migrants' choice of remittance channels?
- ii. What are the risks associated with the different remittance channels?
- iii. How do migrants mitigate these risks?

1.5 Justification of the study

This study comes at a time when governments are realising the development potential of migration. At the national level, remittances are the most stable source of foreign exchange earnings for developing countries and could serve as an alternative source of development financing, if properly mobilised (Ratha, 2003). The National Migration Policy for Ghana recognises remittances as an important livelihood strategy, which helps boost income and reduce poverty and vulnerability of recipients (Ministry of the Interior, 2016). As at the time of this study, GoG was planning to introduce a 1.75% levy on electronic transactions (e-levy), including inward remittances, in the bid to widen the tax net and generate more revenue for government. Previously, most of the transfer charges are borne by the sender, but, this e-levy will be borne by the recipient, thereby reducing the disposable income available to recipients.

An understanding of the social and economic factors which influence the choice of remittance channels would not only contribute to the body of knowledge on the dynamics of remittances within the context of Ghana, specifically, and Sub-Saharan Africa as a whole, but could provide

insight to policy makers and regulatory bodies, on how to facilitate remittance transactions for migrants.

1.6 Organisation of the study

This study is divided into 5 chapters. Chapter 1 introduced the study, including a statement of the problem and context of the topic. Chapter 2 provides a review of relevant extant literature on remittances, with emphasis on Sub-Saharan Africa, and Ghana in particular. Chapter 3 provides an overview of the research methodology deployed for the study and chapter 4 presents an analysis of the data and the attendant findings. Finally, chapter 5 presents a summary of the research findings, conclusions and recommendations.



CHAPTER 2: LITERATURE REVIEW

2.0. Introduction

This chapter presents an overview of the key concepts through a review of relevant literature on the subject matter. It starts with presenting an overview of the migration and development landscape, which serves as a precursor for the discourse on remittances. The theoretical and conceptual framework that guided the study is also presented in this chapter.

2.1. Migration and development

Remittances are proceeds of migration. Therefore, to understand remittances, it is important to start by looking at migration: motivation and trends, as well as the relationship between migration and development. According to the UN Migration Agency, migration is "the movement of persons away from their place of usual residence, either across an international border or within a State" (International Organisation Migration [IOM], 2019, p.135). For the purpose of this study, the focus will be on international migration; movement across borders. Migration is an age-old phenomenon, and thanks to innovation, globalisation and advancement in transportation infrastructure, the world is more connected, making people more mobile and able to migrate with greater ease. According to the United Nations Department of Economic and Social Affairs (UNDESA), the international migrant stock (number of people living outside their country of origin) has been increasing exponentially since 2000, with an additional 60 million migrants added to the international migrant stock between 2010 and 2020, up from 48 million in the previous decade (United Nations Department of Economic and Social Affairs [UNDESA], 2020).

Contrary to the picture painted in the media, most migration within the African continent stay within the continent, with much of it occurring between neighbouring countries (Awumbila, 2017; Flahaux & De Haas, 2016). Sub-Saharan Africa and Ghana is no different, with citizens taking advantage of the free movement (visa-free) regime of the Economic Community of West African States (ECOWAS) to migrate to other countries within the West Africa sub-region (Awumbila et al., 2014; UNDESA, 2020). While people choose to migrate for myriad reasons (studies, family reunification, adventure, fleeing conflict, jobs etc.), most people migrate in search of better economic opportunities. According to UNDESA (2020), 65% of all international migrants moved to a country with a higher income level than their country of origin. Awumbila (2017) corroborates that migration is a livelihood strategy for many families in Africa, making labour migration the most prevalent form of migration.

The International Monetary Fund (IMF, 2009) classifies labour migrants according to their academic levels: migrants with little or no education are classified as unskilled or low skilled, while highly educated migrants are categorized as skilled migrants. The latter often enjoy favourable visa and legal migration pathways, because they are sought after to cover skill gaps in destination countries. Conversely, low skilled migrants often face restrictive visa policies and have fewer legal migration pathways; which are usually based on bilateral or regional agreements for seasonal or short-term work programs (World Bank, 2009).

In view of the preponderance of labour migration, there is a growing recognition at both national and global levels on the contribution of migration to inclusive and sustainable growth and development. According to Clemens et al. (2019, as cited by UNDESA, 2020), labour migration from countries with lower labour productivity to countries with higher labour productivity positively affects global gross domestic product (GDP).

At the global and continental level, both the SDGs and AU Agenda 2063 recognise the development potential of migration. At the regional level, ECOWAS has been working with its Member States, Ghana inclusive, to ensure the implementation of the Protocol on Free Movement, Right of Residence and Establishment. In Ghana, both the National Migration Policy (NMP) and the Diaspora Engagement Policy (DEP) aim at mobilising the contribution of the diaspora to nation building.

It is important to note that not all migrants are classified as diaspora. Migrants who do not identify with their country of origin are not considered as part of the diaspora (Barabantseva & Sutherland, 2011). The African Union (n.d) defined the African diaspora as:

Consisting of people of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union. (para. 4).

In Ghana, the draft DEP (2020), defined the Ghanaian diaspora as:

Ghanaians who have migrated and are resident outside Ghana; Ghanaians born to Ghanaian parents living outside; Ghana descendants of enslaved Africans and all persons of African descent who have historical and cultural ties with Ghana and also have interest in Ghana's development (p.1).

The DEP definition is quite broad, in line with the objective of targeting investments from the diaspora. Hence, to enable a more streamlined approach to the study, the definition of the Ghanaian diaspora will be narrowed down to "Ghanaians who have migrated and are resident outside Ghana; Ghanaians born to Ghanaian parents living outside Ghana; who have historical and cultural ties with Ghana and also have an interest in Ghana's development".

2.2. Socio-demographic characteristics of migrants

There are a wide range of socio-demographic factors which determine why, how and how much migrants remit. These characteristics include age, gender, nationality, ethnic background, length of stay in destination country, income, legal status in destination country, number of dependents, size of migrant stock etc. (World Bank, 2009).

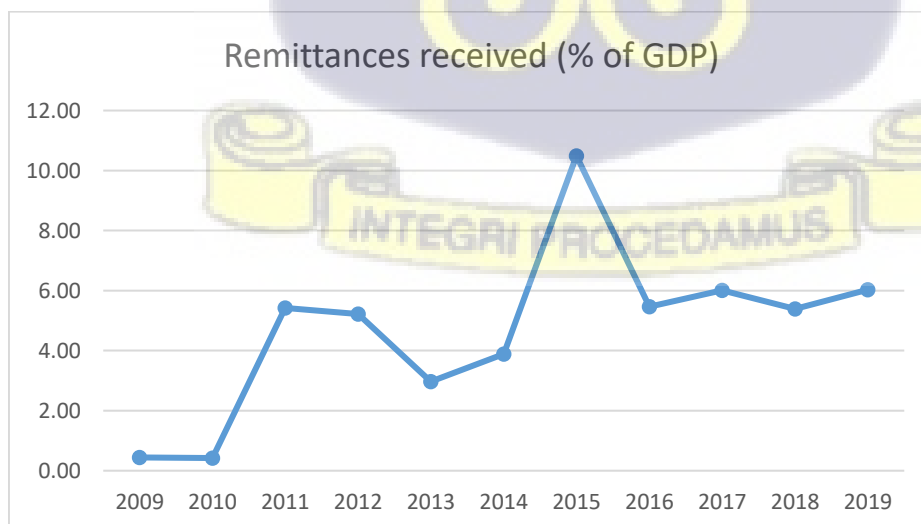
Income determines the capacity to remit in the first place. According to the IMF, short-term migrant workers (persons who stay away from their country of residence for 3 – 12 months) save a greater proportion of their income and tend to remit more to their families; this could be related to their intentions to return home, which makes them maintain closer ties with their countries of origin. On the other hand, long-term migrant workers (persons who stay away from their country of residence for more than 12 months) tend to earn more over time, although the willingness to remit often wanes with time. The study found that remitters were mostly migrants who have stayed in the destination country for less than 10 years. Furthermore, female migrants tend to remit a higher proportion of their income, than male migrants, even if male migrants remit more frequently (Lucas & Stark, 1985; Luhabe-Morrison, 2019; World Bank, 2009).

Likewise, migrants' civil status and number of dependents also determine the amount and frequency of remittance. Short-term migrant workers, who do not move with their families and newly arrived migrants with spouses and children back home often remit more frequently. A study of Zimbabwean remitters in South Africa (Makina, 2013) found that 90% of respondents had dependents. (Ferriani & Oddo, 2019) also found that migrants who had their immediate families with them in Italy were most likely to remit smaller amounts than their counterparts

with more relatives in their countries of origin. However, as migrants settle down in destination countries, they tend to facilitate the migration of family members, which ultimately leads to a decrease in the number of dependents back home and with it, the size and frequency of remittances (Luhabe-Morrison, 2019).

The legal status of migrants is another key factor that determines frequency, size and channel for remittance transfer. Irregular migrants lack a legal status, which means that they avoid institutions where they would be required to provide identification documents. Consequently, they are unable to operate a bank account nor utilise the services of money transfer operators. This leads to such migrants patronising informal transfer operators, since transfers via formal channels require the migrant to provide certain documentation and/or operate a bank account (Higazi, 2005; Teye et al., 2017; World Bank, 2009). Finally, the size of the migrant stock (percentage of a country's population abroad) determines the volume of remittances received by their country of origin. From 2010 – 2015, the Ghanaians migrant stock grew from 716,044 to 970,625 (Ministry of the Interior, 2016), within this period, remittance flows to Ghana also increased exponentially

Figure 2.2.1 Remittance inflow to Ghana (% of GDP)



Source: Adapted from World Bank (2020)

2.3. Remittances: definition and channels

The diaspora have been known to contribute to development through remittances, as well as through knowledge transfer, skills transfer, political influence, philanthropy. However, the most tangible and measurable contribution of the diaspora to development is in the form of remittances (Brinkerhoff, 2012). Defined as the transfer of cash or goods from migrants to support families or friends in their countries of origin (Ratha, 2016), remittances can be domestic: between urban and rural areas, or international: between countries. However, for the purpose of this study, the focus is on international cash remittances. According to the IMF (World Bank, 2009), most remittance transfers are small amounts, sent frequently and targeted at family upkeep. Although, the frequency and amount remitted depends on the demographic characteristic of the migrant and the motivations for remitting.

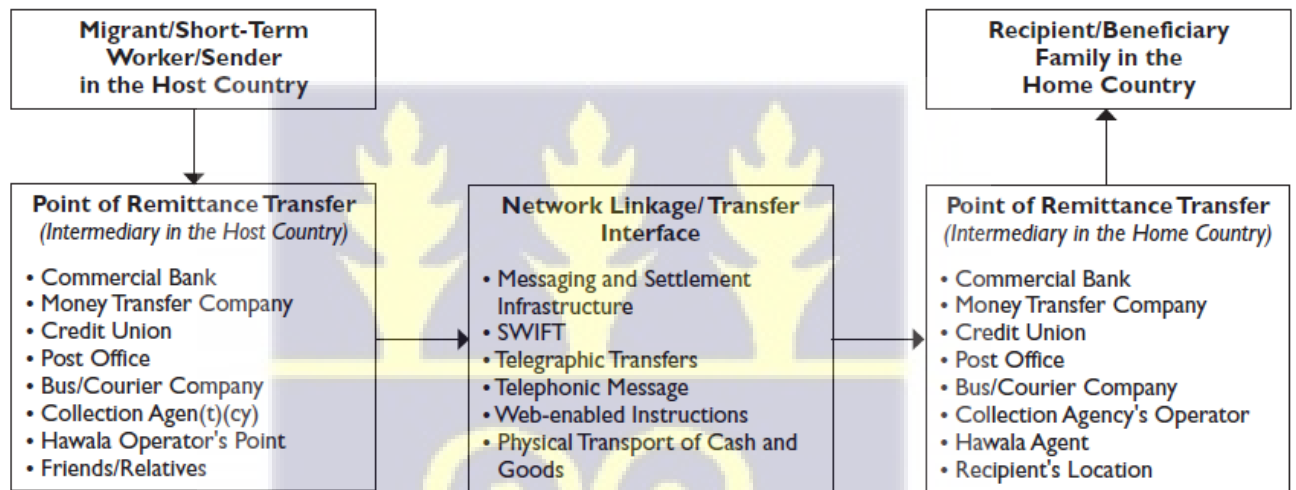
2.3.1. Remittance channels

There are two channels for transmitting remittances; formal/official transfer channels and informal/unofficial channels. Formal channels are legally licensed and regulated money transfer establishments such as banks, post office banks and money transfer operators (MTOs) like Western Union, MoneyGram, Ria, including online apps like World Remit, Wise, Remitly etc.

Informal channels on the other hand refer to unconventional money transfer systems which are not licensed for cash transfers, are unregulated and whose transactions are not captured in national accounts. They include monies sent via courier companies (hidden in packages/letters), bus companies, hand delivered by friends, relatives, business people or delivered by money transfer agents, known as Hawala (Buencamino & Gorbunov, 2002b; DMAglobal, 2020; Freund & Spatafora, 2008; Pieke et al., 2007). The classification of a

channel as formal or informal is country specific, and depends on the country's legal, regulatory, and institutional framework. The main distinction between both channels is that informal flows are not captured in the balance of payment statistics (World Bank, 2009). Irrespective of the specific channel used for remittance transfer, all money transfer channels, informal remittances inclusive, consist of a sender, recipient, intermediary and a transfer interface (figure 2.3.1).

Figure 2.3.1 Remittance Channels



Source: World Bank, 2009, figure 2.1, Pg. 4.

There are several reasons for the existence of two channels: weaknesses in the financial sector, state of the economy, exchange rate controls, regulations which hinder access to financial service/inclusion, distrust of the financial sector, poor service delivery, accessibility, socio-demographic characteristic of the senders and recipients, familiarity etc. (Sander & Maimbo, 2005; WorldBank, 2009). The next section attempts to provide an overview of the most popular formal and informal remittance channels, although the list cannot be considered as exhaustive, since these services are continuously evolving.

2.3.1.1. Formal remittance channels

As the name indicates, formal remittance channels include all transfers through official registered networks or service providers. These kinds of transfers are documented and captured in the country's balance of payment data. Consequently, most projections by national authorities and international organs are based on transfers via formal channels. Types of formal channels include;

- i. Banks: commercial banks are a popular provider of money transfer services due to their extensive network and participation in the international payment and settlement system (World Bank, 2009). Banks are often heavily regulated, and therefore have stringent documentation requirements and anti-money laundering systems which include the enforcement of limits on deposits, transfers and withdrawals. In addition to account-to-account transfers, most banks also double as agents for MTOs.
- ii. Money Transfer Operators (MTOs): these are non-deposit taking financial companies that provide money transfer services using their internal systems or leveraging on existing cross-border bank networks. The popular MTOs with outlets in most countries include: Western Union, MoneyGram, Ria. These MTOs often have their own outlets, in addition, some banks, post offices, FOREX Bureaus also serve as their agents. MTOs usually have less stringent documentation requirement for transfers. Neither senders nor recipients are required to have a bank account and an ID card usually suffices to carry out a transaction.
- iii. Post offices: in many countries, post offices provide domestic money transfer services through postal orders, but can also serve as agents for MTOs. Similar to

MTOs, post offices have light documentation requirements and recipients are not required to open or operate an account.

iv. Mobile money (MoMo): powered by telecommunication companies, this system is gradually gaining popularity in many countries, and involves subscribers being able to send and receive money “at the speed of text” (World Bank, 2009). In Ghana, the service has recently expanded to include receipt of international transfers via the “Web to Mobile” feature, which allows remitters send up to 2000USD per day, depending on the type of account (Teye et al., 2017).

v. Online apps: while banks and MTOs allow fund transfer via the internet, there are other transfer services which allow senders to transfer funds from one virtual account to the other. Recipients can pay for goods and services online using the virtual accounts, or transfer the money to local bank accounts and mobile money accounts for onward cash withdrawals. Examples of internet transfer service providers are World remit, Wise, Taptap send etc.

2.3.1.2. Informal remittance channels

Informal remittance channels predate formal channels, and were developed by people of same ethnic groups, simply seeking an efficient and reliable means of transferring money and settling accounts with each other. Although there is no clear position on the origins of informal channels, the oldest and most developed system dates back several centuries, to the hawala or hundi system developed in South Asia, which is still the largest informal transfer system in operation today (Buencamino & Gorbunov, 2002; Pieke et. al 2007). Initially designed to facilitate trade between countries, the hawala system was said to have been developed by the

Indian immigrant population in Africa, who needed a way to transfer money and settle accounts, without carrying cash around and exposing themselves to robbery. Subsequently, the system has followed the immigration pattern of Indians and has spread into several countries and continents (Asia, South and North America, Europe). Over time, migrants from different countries, including Ghana, have developed similar styled systems.

According to Maimbo & Ratha (2005), informal remittance channels, in Africa, trace back to the colonial era, when workers migrated from rural to urban areas to work in plantations, mines or serve as household staff for the colonial masters, which enabled them earn additional income and send portions of it to their families to help offset cumbersome colonial taxes. They go on to recount a story of how remittances were sent home by urban dwellers, in South Africa, to their families in rural areas via courier, train or bus networks. The school principals in the rural areas were then entrusted with the task of collecting the packages, sorting them out and delivering remittances to recipients. Another position on the history of informal remittance systems was provided by Thebe & Mutyatyu (2017). According to them, informal channels developed in Africa as a result of capitalism, which led to a decimation of the rural economy and a fragmentation of the labour force between urban and rural areas, as a livelihood strategy for many families. The success of the “hoe and wage” strategy depended on migrants in the urban areas maintaining a link with their families in the rural areas (mostly farmers), and supporting them with part of their wages. Consequently, the rural dwellers needed a system that would ensure a flow of goods and cash to their families in the rural areas, which led to migrants giving monies and goods to vehicle owners to take to their families back home. Over time, this system acquired social and cultural significance, and has expanded to cover larger geographical areas and territories, while maintaining its informality.

Types of informal remittance channels

- i. **Ethnic stores:** These are stores in destination countries which sell goods emanating from specific immigrants countries. For instance, a Ghanaian ethnic store in the US or UK would have local Ghanaian staples (Kenkey, banku etc.) in stock. According to Higazi (2005), some of these ethnic stores offer informal remittance services often preferred by Ghanaians in the diaspora to MTOs. Ghanaians patronise these stores not only for the cheaper transfer services, but also out of social and cultural camaraderie. Remittances sent via ethnic stores can be picked up locally from local agents or FOREX bureaus¹. In some cases, these stores also serve as agents for MTOs.
- ii. **Cash carrying or hand delivery:** this involves the migrant delivering the cash in person or through other travellers' (friends or relatives) to family members back home. Cash-in-hand transfers are mostly used by skilled migrants as well as short-term migrants, who are usually highly mobile and travel to their countries of origin often (Higazi, 2005; World Bank, 2009). Cash carrying is quite popular among African and Latin American migrants, and can be facilitated by hometown associations and churches, where members give money to anyone travelling from within the group, to deliver to their families back home (Ferriani & Oddo, 2019; Pieke et al., 2007).
- iii. **Trade based transfers:** this transfer method functions in two ways; the credit system and the advance deposit. The credit system involves the migrant contacting a

¹ Forex bureaus are not licensed for money transfer services, but some do so informally.

business man or woman (transnational trader) based in the migrant's country of origin to payout a specific amount to family members. This amount is then reimbursed to the trader upon his next trip to the destination country to conduct business. On the other hand, the advance deposit involves loaning an importer the money to purchase the goods, upon his return to the country of origin, the trader sells the goods and use the proceeds to pay out money to the migrant's family members. Alternatively, the migrant could purchase the goods and send down to the trader, who then disburses the cash equivalent to the migrant's family. This system is popular amongst West African migrants; Ghana, Nigeria, Senegal (Hernandez-Coss & Egwuagu Bun, 2007; Pieke et al., 2007; Quartey, 2011; World Bank, 2009).

- iv. Hawala and Hundi system: the word "Hawala" traditionally means "change or transform", but has also come to connote "trust", in line with the underlying principle which guides its operations. Initially based on the use of promissory notes, developments in telecommunication systems, means that an agent in one country can instruct his counterpart (via email or phone) to disburse money to recipients in another country, without requiring a written contract. The remittance sender simply approaches an agent in his/her location, hands over the amount to be transmitted and is given a code which the recipient also has to provide to collect the money from the agent on the recipient's side. This system is popular among migrants from the Middle East and Asia (Buencamino & Gorbunov, 2002b).

The use of both formal and informal channels have made it difficult to actually calculate or estimate the size of remittance flows, given the off-the-book nature of informal channels. Several studies have tried to estimate the size of informal flow (Freund & Spatafora, 2007;

Page & Plaza, 2006; Sander & Maimbo, 2005; World Bank, 2009), and has come up with varying figures, as low as 35% or as high as 250%. Specific studies on remittance flows to Ghana, place remittance via informal channels at circa 35-45% of total flows (Mazzucato et al., 2008; Teye et al., 2017). The most recent figures from Teye (2016 as cited by Teye et. al., 2017) found that only 53% of remittances were sent via formal channels. These estimates are not entirely surprising when compared to the SSA figures of 73% (Page & Plaza, 2006).

2.4. Motivations to remit

There are a number of theories on the motivations behind remittance transfers by migrants to their home countries: Altruism (desire to see others doing well); self-interest (using remittances to secure goodwill); and tempered altruism (migration a risk-sharing and co-insurance strategy, and remittances a mechanism for redistributing gains), which may explain the resilience of remittances in times of economic crisis. (Fayissa & Nsiah, 2010; Lucas & Stark, 1985).

Caarls et al. (2018) explored the concept of transnational families, which they defined as:

A household having at least one migrant living abroad who is a: (1) child of the head; (2) partner(s) of a member of the household; or (3) relative of the household head or of his/her partner and who has been in regular contact with the household over the past 12 months. (p.11)

The study found that in keeping with the African concept of “family”, Ghanaian families extend beyond close nuclear members to extended family relations, including non-kin members, to whom one extends reciprocal duties and obligations. This reciprocal relation between a migrant and the family members in Ghana could be both material and non-material, and goes both ways, from migrant to the family and vice versa. Migrants mostly meet their responsibilities and obligations towards family members via remittances. Family members (kin

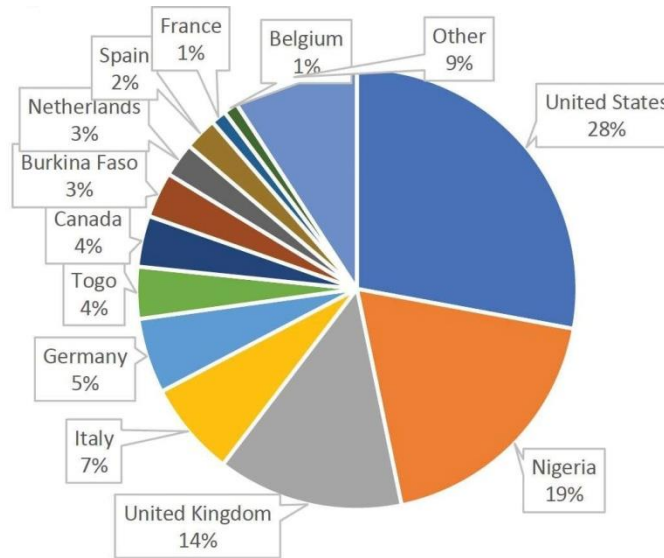
and non-kin), on their part, also reciprocate in-terms of initial support (material and non-material) provided the migrant in the onset of the migration journey and the service they continue to provide the migrant (taking care of children left in behind, supervising construction projects or managing businesses etc.), this kind of service is also known as “Reverse Remittance” (Caarls et al., 2018; Mazzucato, 2011). However, for the purpose of this study, the focus will be on the migrant’s perspective, in terms of remittance transfer.

2.5. Source of remittances to Ghana

According to Ghana’s migration profile (IOM, 2019b), 49% of Ghanaian emigrants between 2010 – 2019 remained within the African continent, with Europe and North America coming a distant second and third place respectively. The choice of destination countries is often influenced by several factors; cultural, social and economic. According to Schans et al. (2013), most Ghanaians emigrate to traditional English-speaking countries, where integration may be easier. This could explain why Nigeria, the United States (US) and the United Kingdom (UK) are the top three destination countries for Ghanaian emigrants (UNDESA 2019, as cited by IOM, 2019b). Surprisingly, despite half of all Ghanaian migrant stock residing within the African continent, their remittances only account for circa 30% of total inflows, while 65% come from Europe, the UK and the US (DMAglobal, 2020).



Figure 2.5.1 Source of remittance inflow to Ghana (2017)



Source: DMAglobal (2020)

The Ghanaian diaspora in the United States is the highest remittance senders, followed by Nigeria, even though Nigeria hosts the highest number of Ghanaian emigrants (26%). In terms of the profile of senders, Mazzucato et al. (2008) found that most remittance transfer come from men (58%) with women making up (42%) of total senders.

2.6. Socio-economic effect of remittances

From 2009 to 2019, there has been a remarkable increase in remittance flows to Ghana, with the highest receipt happening in 2015. The increase in remittance flows to Ghana can be attributed to a number of factors: the increase in Ghanaian emigrant stock, increase in the use of formal channels and improved data capturing by the Bank of Ghana (Teye et al., 2017). Nevertheless, the contribution of remittances to improving the welfare of recipients and by extension national development cannot be disputed.

2.6.1. Social effect of remittances

Lucas & Stark (1985) described remittances as a “private mechanism of income redistribution between persons and across sectors”. A statement corroborated by Quartey (2011), who found that at the household level, a great percentage of remittances are spent on private consumption needs such as food, clothing, school fees, hospital bills etc. thereby helping to smoothen consumption and by extension, income inequality and poverty reduction. In addition, remittances have been found to reduce incidence of child labour among recipient households (Amuedo-Dorantes, 2014; Kim, 2007). According to Teye et al. (2017), the peak periods/months of high inflow of remittances into Ghana are November and January, because of the Christmas holidays, and school resumption.

2.6.2. Economic effect of remittances

Beyond consumption, remittances are currently the highest source of development financing for many developing countries, including Ghana, often making up a larger share of GDP than export and imports. One important characteristic of remittances is that it has proved to be countercyclical; it tends to increase during times of economic downturn unlike private capital (Bisong et al., 2020; Ratha, 2003a, 2016). In addition, remittances serve as an important source of foreign exchange for the country, and can improve the country’s access to international funding instruments (Ratha, 2013; Ratha et al., 2016).

Remittances contribute to the economy in diverse ways, for instance, Ghanaians migrants often invest in the real estate sector, with ripple effect on other businesses. It has also been instrumental in starting and growing small and medium scale enterprises (MADE West African project, 2018; Mazzucato et al., 2008). In addition, remittances have been found to contribute to the deepening of the financial sector by strengthening financial inclusion, encouraging

saving habits and boosting the profile of recipients to gain access to loan instruments (Orozco, 2009; Quartey, 2011; Teye et al., 2017).

2.6.3. Negative effects of remittances

While there are numerous positive effects of remittances at the micro and macro levels, the negative effects cannot be ignored. Remittances have been found to have an effect akin to “Dutch Disease” in Latin America and the Caribbean, by reducing labour participation of recipients and engendering a change in consumption patterns (Amuedo-Dorantes, 2014; Kim, 2007; Kosse & Vermeulen, 2014). A survey of 33,778 individuals within the working-age group in Ghana, also found that remittances created a dependency effect on recipients, leading to lack of or withdrawal of participation in the labor force, with the attendant risk of exacerbating intergenerational poverty (Asiedu & Chimbar, 2020). There is also the social cost of remittances: in order to earn remittances, migrants have to leave their family members to work in another country. Even though remittances are countercyclical, the economic situation in destination countries also affects the real income of migrants (Bisong et al., 2020; Ratha et al., 2016), which leads to migrants making even greater sacrifices to continue sending money to their dependents. Furthermore, the migration of highly skilled workers can lead to labour shortages, brain drain and loss of taxes to the government (Ratha, 2003b; 2016), although Ratha also posits that the benefits of remittances outweigh the cost.

The socio-economic effects (positive and negative) of remittances have been adequately expounded in literature, however, the use of both formal and informal channels for transfers make it difficult to determine the exact scale of remittances transferred every year, and by extension its actual effects (Sander & Maimbo, 2005).

2.7. Factors that influence the choice of a remittance channel

Several scholars have extolled migrants remitting via formal channels because of its benefits at the macro and micro levels, such as foreign exchange earnings, financial sector deepening, credit multiplier effects, enhancing saving habits of recipients etc. (Freund & Spatafora, 2008; Quartey, 2011; Ratha, 2003b, 2013; Teye et al., 2017). In addition, policy makers often support formal channels as it generates the requisite data on remittance flows, for better policy making on how to leverage remittances for development.

However, over emphasising the use of formal channels or pushing for the formalisation of informal channels might be counterproductive (Buencamino & Gorbunov, 2002; Maimbo & Passas, 2005; Pieke et al., 2007). Maimbo & Passas highlighted the fact that informal remittance channels predate formal channels, the operators conduct their business in public and they provide an essential service to millions of unbanked people all over the world. Pieke et al. specifically questioned the use of the term “informal” or “unofficial” to describe flows not captured in the financial system, considering that informal channels are legal in many countries. While it is desirable for financial flows to be captured by the concerned national authorities, he cautioned against heavy-handed top-down approaches in enforcing formalisation, to avoid driving informal operators further underground.

Other scholars have highlighted that the informal remittance channel, often referred to as the “Poor man’s banking system”, provides a fast and low-cost alternative for low-income migrants who remit small amounts frequently (Buencamino & Gorbunov, 2002a; Ferriani & Oddo, 2019). This class of remittance senders and their recipients are usually not catered for by the financial system and face geographical, legal and regulatory constraints which hinder their access to formal channels.

Migrants' choice of a remittance channel seems to be determined by: the nature of services offered by the different channels; personal preference; motivation for remitting, class of migrant; socio-demographic characteristic of migrants; institutional arrangement in the host and countries of origin; speed of transfer; transaction cost; and accessibility to financial institutions (World Bank, 2009). An understanding of the interplay between these factors is essential in deciphering migrants' choice of a channel.

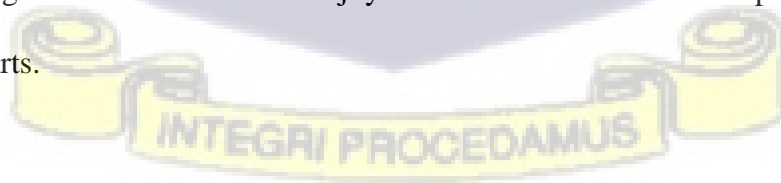
2.7.1. Categories of Migrants

Migrants are often categorised based on their reason for migrating (economic, political, refugee etc); legal status in destination country (regular or irregular); and level of education (skilled or low skilled). For the purpose of this study, the focus will be on the legal status and level of education of migrants.

Migrants with tertiary education are considered as skilled and have been found to take the decision to migrate more independently than low skilled migrants who might have migrated as a livelihood or family support strategy. Skilled migrants tend to have more legal migration pathways available to them and usually earn more than their low skilled counterparts. Low skilled migrants, on the other hand, have fewer legal migration options and are more prone to migrate irregularly as part of their livelihood strategy. As a result, they remit more frequently to support family members back home and are most likely to utilise channels that preserve anonymity and discretion (Ferriani & Oddo, 2019; Higazi, 2005; Pieke et al., 2007; Ratha, 2006; World Bank, 2009).

The legal status of migrants is one of the main dividing lines between access to formal or informal channels (Makina, 2013; Teye et al., 2017). Irregular migrants do not have the necessary documentation to own or operate bank accounts. MTOs also require government-issued identity cards or an international passport to process remittance transfers, leaving irregular migrants with no choice than to go through informal channels. However, an exception was found in the cases of Mexico and the Philippines, whose foreign missions established financial units, to enable irregular migrants send money home, without needing to go through informal channels (Teye et al., 2017).

According to Higazi (2005), skilled Ghanaian migrants are usually not under pressure to remit frequently, and might prefer to hand-carry their remittances whenever they travel to Ghana. Moreover, since skilled Ghanaian migrants usually earn more and have legal status in their host countries, they tend to be more mobile than their low skilled counterpart, enabling them build more expansive social networks in and outside Ghana for informal remittance transfers. On the contrary, Koss & Vermeulen (2014) following a survey of 1680 migrants in The Netherland found that highly educated migrants had less likelihood of utilising informal channels or hand-carrying cash when travelling. They also found that large-value remitters prefer formal banking transfer channels, as against informal channels mostly patronised for transfer of small amounts. Incidentally, large-value remitters also enjoy lower transaction costs compared to their low-value counterparts.



2.7.2. Transaction cost

High transaction costs have been identified as a major determinant of the choice of remittance channel (Kosse & Vermeulen, 2014; Pieke et al., 2007; Ratha et al., 2016; Sander & Maimbo, 2005).

Remittance transaction cost is made up of: the fee charged by the sending operator in the migrant's location; a currency-conversion fee, also charged in migrant's location; and operator's charges at the recipient's end, usually charged by smaller operators, to cover unforeseen exchange rate fluctuations or for cash withdrawals (Ratha, 2016). In general, sending small amounts (mostly by low skilled migrants) of \$200 and below is more expensive, because of the fixed transfer charges that can get as high as 15% of the transfer amounts. According to the World Bank (2021), sending money to Sub-Saharan Africa incurs the highest transaction cost, at an average of 8.02%, a long way from the SDG (10.7c) target of 3% by 2030. However, these costs are lower for large remittances (in percentage terms) and the competition between international banks for large-value remittances means that banks are willing to offer even lower rates for higher amounts (Ratha, 2016).

In view of the foregoing, remittance transfers via informal channels have proven to be a cheaper alternative, costing between 1 - 5% of the principal. Sending money via a traveller or bus drivers (for intraregional remittance transfers) costs even less (Freund & Spatafora, 2008). Moreover, in countries like the UK, competition among informal operators have led to even lower charges, with a 70% reduction in transfer fees between 1991 and 2004 (Higazi, 2005). Reducing transaction cost of remittances has become an important topic at the global level, not only because it increases the incentive to patronise informal channels, but most importantly, it reduces the amount of money available to recipients (Ratha, 2006). According to Kosse &

Vermeulen (2014), reducing transaction cost will make an estimated 15 million USD available to recipients. Aside the transfer charges and commissions, foreign exchange rates is perhaps the most important component of transaction cost, since the differential between official and parallel market rate is a major determining factor in the choice of remittance channels. A study of six countries across North Africa and Europe found that a 10% increase in black market rate over official rates led to a 3% decline in remittances via formal channels (O'Neill, 2001 as cited by Freund & Spatafora, 2007). Teye et al. (2017) provides a good illustration of the effect of exchange rates on remittances.

A person in Ghana receiving an amount of 1,000 British Pounds Sterling sent through a formal financial institution on 12 April 2015 would get 5,200 Ghana Cedis. If this amount is sent through an informal channel such as a friend visiting Ghana, the recipient would get the entire amount which he/she can change at a Forex Bureau to get 5,800 Ghana Cedis. Thus, in addition to paying bank charges, 600 Ghana Cedis or 10.3% of the amount sent would be lost by the person who receives the money through the bank. (p.12).

It is worthy of note that advances in finance and technology (FinTech) have proven to be instrumental in reducing cost of transfers, with most online service providers cheaper than traditional MTOS. Table 2.7.2 provides a snapshot of the cost of transferring 200USD using traditional versus online apps.



Table 2.7.1 MTO Charges (Transaction Cost for sending 200USD to Ghana)

Firm	Access Point	Transfer speed	Receiving method	United Kingdom				United States				Germany			
				Fee	Exchange rate margin (%)	Total Cost (%)	Total Cost (USD)	Fee	Exchange rate margin (%)	Total Cost (%)	Total Cost (USD)	Fee	Exchange rate margin (%)	Total Cost (%)	Total Cost (USD)
Western Union	Agent	Immediate	Cash	4.83	4.84	7.26	14.52	-	-	-	-	13.43	9.94	16.66	33.31
Western Union	Internet	Immediate	Cash	3.17	1.63	3.22	6.43	5.00	1.44	3.94	7.88	5.57	7.38	10.16	20.31
MoneyGram	Agent	Immediate	Cash	13.32	0.20	6.86	13.72	0.00	1.05	1.05	2.10	13.29	0.52	7.16	14.31
MoneyGram	Internet	Immediate	Cash/Momo	6.65	1.40	4.73	9.47	0.99	1.19	1.69	3.38	5.70	2.57	5.42	10.84
Ria	Agent	Same day	Cash	5.00	9.70	12.20	24.40	7.00	0.58	4.08	8.16	14.29	4.12	11.26	22.51
Ria	Internet	Immediate	Cash	5.00	-0.20	2.30	4.60	4.00	0.58	2.58	5.16	-	-	-	-
Sendwave	Internet	Immediate	MoMo	0.00	1.22	1.22	2.43	-	-	-	-	-	-	-	-
Small World	Agent	Same day	Cash	3.32	-0.39	1.27	2.53	-	-	-	-	4.99	1.09	3.58	7.16
TapTap Send	Internet	Immediate	MoMo	0.00	0.96	0.96	1.92	-	-	-	-	-	-	-	-
World Remit	Internet	Immediate	Cash	3.32	3.19	4.85	9.70	1.99	1.54	2.54	5.08	-	-	-	-
World Remit	Internet	Immediate	MoMo	1.65	1.05	1.87	6.90	0.99	1.19	1.69	3.38	-	-	-	-
Remitly	Internet	Immediate	Cash/MoMo	-	-	-	-	-	-	-	-	0.00	0.66	0.66	1.31

Source: Adapted from Remittance Prices Worldwide (World Bank, 2021a)



2.7.3. Access to financial services

A well-developed financial system means that a large proportion of the population has access to financial institutions. The status of the financial system has been found to have a positive relationship with the use of official remittance channels (Ferriani & Oddo, 2019; Orozco, 2009; Ratha, 2003a). Ghana currently has a financial inclusion rate of 58% (World Bank, 2019), leaving a large portion of the population with no access to financial services. Since most commercial banks also double as MTO agents, this poses a challenge, because the banks do not only lack a presence in many rural communities, but recipients are required to have a bank account in order to access the service. Recently, telecommunication companies have made efforts to bridge some of these gaps via their mobile money (MoMo) platforms. The main risk associated with mobile money is that the transfer could go to a wrong recipient at the slightest error in the phone number. Other disadvantages include: lower exchange rates used for currency conversions and “cash-out” fees, for recipients who choose to withdraw the money (Teye et al., 2017).

2.7.4. Recipient's Preference

Given that the ultimate aim of remittance senders is to send remittances through channels that are fast, reliable and accessible for both the sender and recipient alike, remittance receivers also exert a considerable influence on the choice of a channel (Higazi, 2005; Kosse & Vermeulen, 2014; Makina, 2013).

The role of recipients in determining the remittance channel cannot be underestimated, they provide valuable information on the local exchange rates, their access/proximity to certain channels as well as the cheapest and efficient channels for sending money to Ghana. Teye et al. (2017), found that recipients in rural areas often prefer informal channels, since financial

institutions and MTOs do not have wide spread penetration in rural areas, forcing rural dwellers to travel several miles to access these services. Informal remittance agents on the other hand are more mobile and even provide door to door services. A baseline assessment of 1200 household conducted by the Ghana Statistical Service in six administrative districts in the Ashanti and old Brong Ahafo regions found that 23% of respondents preferred to receive remittances in cash through friends and relatives (Ghana Statistical Service, 2017).

2.7.5. Social factors

In addition to the above listed considerations, there are also non-logistical issues that affect the choice of a channel. These include discretion, anonymity, trust issues, convenience, culture and language. Discretion is especially important for irregular migrants who do not want to expose themselves to possible prosecution and deportation for living and working in a country without the necessary documentations (Buencamino & Gorbunov, 2002b; Kosse & Vermeulen, 2014; Pieke et al., 2007; Teye et al., 2017).

A distrust of the financial system is also a contributing factor to the choice of a remittance channel. Following the 2008 financial crisis, there have been growing sceptism and distrust towards the financial sector in Ghana. To make matters worse, the consolidation of the banking sector between 2017 and 2019, lead to the closure of some commercial banks, thereby contributing to the distrust in the banking sector (Gyamfi, 2019). This distrust could lead to remitters and recipients deciding to operate outside the financial system. A study of the UK-Nigeria remittance corridor also found that distrust of the financial system contributed to the use of informal remittance channels (Hernandez-Coss & Egwuagu Bun, 2007). In other climes, Freund & Spatafora (2007) found that 50% of Dominicans in the US declined using banks for

money transfers, following the collapse of the second largest private bank in the Dominican Republic in 2002. In addition, a study of migrants in South Africa found that a distrust of the financial sector contributed to a preference for informal channels (Genesis, 2004 as cited by Pieke et al. 2005).

The influence of the migrant's social network, on the choice of a channel, should also not be overlooked (Thebe & Mutyatyu, 2017). A study on remittance flows from Italy to 40 countries, between 2005 and 2016, found that a high concentration of foreigners from a particular country (ethnic density) had a negative effect on the use of formal channels, because migrants relied on their social networks to facilitate remittance through informal channels (Ferriani & Oddo, 2019). Similarly, Higazi (2005) found that ethnic camaraderie plays a role in Ghanaians, in the UK, patronising informal transfer services offered in ethnic stores.

2.8. Risks of utilising informal remittance channels?

Following the September 2011 terrorist attacks in the US, there has been a lot of focus from Western countries on regulating the financial sector. Thus, promoting the use of formal money transfer channels, which is seen as more secure, beneficial to national development and less prone to abuse by criminals for illegal activities (Buencamino & Gorbunov, 2002; Kosse & Vermeulen, 2014). This is because the discretion and simplicity of informal channels that endear some migrants to its operations, are also the same characteristics criminal elements seek for illegal activities such as money laundering, smuggling, terrorism etc. This is because the origin and destination of funds sent via these channels do not leave an audit trail and identification cards are not required to execute a transaction. However, there is insufficient evidence on the use of informal channels for criminal activities (Buencamino & Gorbunov, 2002; Pieke et al. 2005; Quartey, 2015).

Informal remittance channels thrive on mutual trust, social connections and discretion, which explains why Ghanaians in Diaspora might prefer sending money home through ethnic stores, as mentioned in the previous section. However, this trust does not always hold-up, since there have been cases of informal operators not paying the full amount to recipients or travellers not delivering the cash to the migrant's family (Higazi, 2005). Unfortunately, most transactions are based on verbal agreements with no written contract, which make seeking legal redress problematic (Kosse & Vermeulen, 2014). 95% of remittances from Nigeria to Ghana are sent through informal channels; agents, hand delivery and bus companies, with bus companies presenting the highest risk of theft and long wait times (DMAglobal, 2020). According to the report, remittances sent via a commercial driver or transport company could take up to 1 to 3 weeks to get to the recipients in rural areas, if it gets there at all. Hand delivery of remittance through friends, relatives or bus drivers, present the greatest risk of theft, loss or corruption (Pieke et al. 2005).

Despite the associated risks, many migrants seem to find that the benefits of utilising informal channels (convenience, speed, cost, and accessibility) outweigh the associated risks (Chisasa, 2014; Teye et al., 2017). Since patronage of informal remittance agents is based on referrals from satisfied clients, the informal money transfer systems are mostly self-regulating, with fraud seen as economic suicide (Buencamino & Gorbunov, 2002).

2.9. Theoretical framework

Trust is an integral aspect of all human relations, and forms the basis for economic, political, and social interactions (Cook, 2001). Consequently, the key concepts underpinning this study will be drawn from Mark Granovetter's (1985 as cited by Portes and Sensenbrenner, 1993) concept of social embeddedness, but specifically based on Portes & Sensenbrenner's

application of the concept to migration and migrant communities. Portes & Sensenbrenner used the social embeddedness concept to elaborate how social structures and considerations influence economic action of migrants. Thus, the concept of social capital comes into play, defined by the Organisation for Economic Co-operation and Development (OECD) as “networks together with shared norms, values and understandings that facilitate co-operation within or among groups” (Organisation for Economic Co-operation and Development, 2009, p. 103). Networks in this case, refers to links between individuals or groups of people, and these links are formed on the basis of trust between the parties.

Social capital is an important arsenal for migrants who find themselves in another country with different cultures, norms, rules and way of life. Consequently, migrants often rely heavily on their social network to navigate life in the destination country (Portes & Sensenbrenner, 1993). Russell Hardin’s (2002) concept of trust as an “encapsulated interest” also presents an interesting concept for this study. According to Hardin, one person (e.g., Kojo) can trust another person (e.g., Kwabena) to perform a particular task, like delivering money to family members back home, but that does not mean Kojo trusts Kwabena to perform other tasks (e.g., drive his car or take care of his children). Hence, the trust relations between Kojo and Kwabena is strictly confined to a particular, well-defined task. This concept also applies to formal channels, where we often trust staff of banks or MTOs to do their job of initiating financial transactions within the confines of the institution they represent, but we may not trust them to do anything else.

Some of the key questions this study seeks to answer revolves around risks associated with different remittance channels and corresponding mitigation strategies. Portes & Sensenbrenner’s illustration of the concept of bounded solidarity and enforceable trust provides valuable insights. Bounded Solidarity seeks to explain the group behaviour of migrants, who bond and support each other based on the singular unifying factor of all of them being

foreigners. Enforceable trust, goes further to explain how conforming to a group's expectation can yield marginal benefit. In the case of a migrant community, it is in the best interest of a hawala agent, for instance, to show integrity and accountability in handling remittance transfers for members of the community, since that is the only way to ensure that members of that community will continue patronising his/her services. As Buencamino & Gorbunov (2002), collaborates, a bad reputation is a sure way to bankruptcy for a hawala agent. This concept can also apply to formal channels, since no one wants to entrust their money to a financial institution with a history of bad service delivery.

Therefore, in examining the factors that influence migrants' choice of remittance channels, the social embeddedness concept is instrumental in understanding the ethos of the informal remittance channel, which explains how migrants can trust an unofficial and unregulated business or an individual to deliver remittances to his loved ones in the country of origin. Therefore, the capacity of the migrant to meet his social obligations towards his loved ones back home seems dependent on the perceived goodwill of another individual or institution.

2.10. Conceptual framework

The migrant's status (regular or irregular) determines their level of access to remittance channels. Irregular migrants by virtue of their migration status do not have the full range of options available to regular migrants. Therefore, the alternatives considered for decision making by this category of migrants is constrained by their circumstances and the need to fulfil their obligations to their dependents. Regular migrants on the other hand have several alternatives and have the luxury of developing a list of preferences and alternatives.

To explain migrants' choices and the factors that informed them, this study used an adapted rational choice model. Originally propounded by Adam Smith in 1776, the theory was based

on a number of axioms which determined people's decision-making process. Smith posits that people would generally act in their best interest, and would analyse all alternatives objectively before making decisions based on a cost-benefit basis, preferring and subsequently choosing actions with the highest benefit when compared to the cost. Initially applied to economics, the theory has also been adopted in the social sciences, thanks to the work of George C. Homans, Peter Blau and James Coleman on the social exchange theory. Similar to rational choice, social exchange theory posits that at the individual level, people consider the costs and benefit of relationships (individual or group), and would only engage in or continue relationships where the rewards outweigh the cost (Appelrouth & Edles, 2010, pp. 120-173). Furthermore, the outcome of the last relationship determines the individual's approach to the next. For instance, if one gets defrauded by a business partner, it would make that person approach the next business relation in a cautious manner and vice versa.

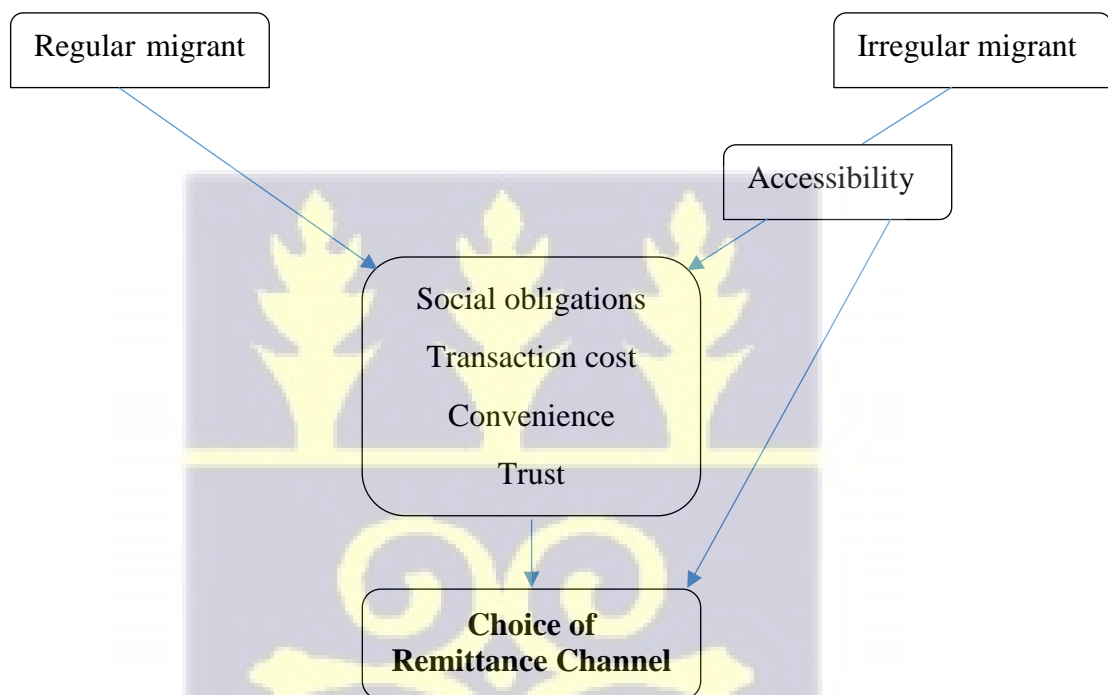
Rational choice and social exchange theories provide interesting insights on the concept of social embeddedness and encapsulated interest, with migrants choosing to bond together because of the benefits (social capital) they would derive from such associations and will continue to interact with their migrant community as long as they are reaping some form of reward. Regarding irregular migrants, for instance, the benefit can entail depending on fellow migrants, with legal status, to help them remit money through formal channels or simply help them carry cash whenever travelling to their country of origin.

There are several critics of the rational choice theory, Herbert Simon, for instance, countered rational choice with the bounded rationality theory, which highlights the cognitive limitations (lack of information and foresight), which impedes the ability of the individual to make an informed decision that maximises utility (Simon, 1955). According to Simon, individuals tend to make choices that satisfy their need at that time, even if the choice is not necessarily the most optimal. The bounded rationality model can help understand why migrants would choose

informal channels (such as bus drivers, travellers etc.) despite the associated risk of the remittance not getting to the intended recipient, and why some migrants are willing to pay higher transaction fees as the cost of convenience.

The concepts derived from these theories throw more light on the decision-making paradigms of migrants, and provides the conceptual lens through which the findings of this study will be analysed.

Figure 2.10.1 Conceptual Framework: key concepts and linkages



Source: Adapted from Smith,1776; Homans, 1958; Simon, 1957.

Figure 2.10 illustrates the different intervening factors that inform the decision-making process and the subsequent choice of remittance channels. Firstly, the migrant’s legal status determines the options available to them in the first instance. For irregular migrants, their lack of a legal status means they lack the needed documentation required to access formal channels, hence restricting them to informal channels, which makes “accessibility” a primary intervening factor for irregular migrants. Regular migrants on the other hand do not have this constraint, and can

choose to patronise any of the remittance channels (formal or informal) based on a purely risk-benefit approach.; they may decide to send money through a traveller simply because they feel the benefits (savings on transaction cost, time etc.) outweighs the risk of the money not getting to the intended recipient. Ultimately, the need to fulfil social obligations, transaction cost, trust and convenience (in no particular order) are some of the main considerations of migrants before they make the final decision on a remittance channel.

2.11. Conclusion of the literature review

Based on the reviewed literature, it is clear that a wide variety of factors influence migrants' decision of a remittance channel. Ferriani & Oddo, (2019) adequately captured these factors by classifying them into four distinct groups: (i) Channel characteristics (cost, speed, convenience, security); (ii) Transaction characteristics (cost, speed); (iii) Economic and institution environment in the both destination and countries of origin; and (iv) socio-demographic characteristics of the migrant.

In conclusion, the dynamics that inform the choice of channel is still relatively under-researched in Sub-Saharan Africa. Although there are a number of studies on the remittance and service providers in Ghana, there is still a dearth of information on the determining factors behind migrants' choice of a channel, this study seeks to contribute to this body of knowledge.



CHAPTER 3: METHODOLOGY

3.0 Introduction

This chapter elaborates the methodology deployed in responding to the research questions, to ensure that the objectives of the study are attained. This includes information on the research design, the sampling method, the criteria for the selection of respondents, the kind of data collected and the analysis technique employed.

3.1. Research design

Studying human behaviour necessitates a research design that is flexible enough to explore and capture hidden meanings (Sandelowski, 2000). For this reason, a qualitative research design was employed for this study. Qualitative research probes and digs deep to understand the meaning of actions, the underlying belief systems and values which prompt human behaviour in the first instance. Qualitative studies call for a focus on words, perspectives and experiences, and not quantification for the purpose of generalisation (Bryman, 2016).

The qualitative approach is quite common and has been adopted in other studies on remittances. For instance, Thebe & Mutyatyu (2017) employed ethnography to gain a deeper appreciation of the social characteristics of the informal remittance corridor between South Africa and Zimbabwe. Teye et al., (2017) also used the qualitative approach in their study to explore the different practices of remittance service providers as well as remittance recipients in Ghana. The DMAglobal report (2020) employed in-depth interviews with remittance senders in identifying the bottlenecks migrants face when using formal channels. In all, qualitative research has proven to be instrumental in understanding underlying social issues and practices around remittances.

3.2. Sources of data

The study utilised both primary and secondary data for the analysis. Primary data was collected through in-depth interviews with 15 migrants, using semi-structured interview guides (see Appendix B). The semi-structured format allowed the study probe for further explanation of responses and explore new themes that came up in the course of interviews. In addition, secondary data was gathered from existing studies, assessments, and journal articles on remittances. Similar studies on remittance channels, conducted in Europe, Asia, and Africa were consulted and their findings helped in defining the variables and methodology for this study. They also provided background data and useful insight on the dynamics and effects of remittances.

3.3. Sampling Strategy

To enable targeted and in-depth study of migrants' remittance behaviour, the study adopted the purposeful sampling technique, to enable precision in identifying and selecting a unique profile of respondents with the requisite characteristics and lived experience needed to appropriately study the phenomena. Furthermore, the study employed the snowballing sampling method in contacting the respondents, which is an appropriate technique for identifying respondents, based on a set of predefined criteria, who are not easily accessible (Taherdoost, 2018). Data on Ghanaians in the diaspora, who are dispersed across different countries, is not easily available, moreover, people are often wary and reticent about discussing their finances, hence the referral-based nature of the snowballing method was essential. The snowball sampling method ensured the pre-selection of respondents who fit the predetermined criteria (see below) and are best suited for the study, in terms of their status as migrants and their experience in sending remittances via the different channels. A sample frame of 35

Ghanaian migrants was established through the website² of the Diaspora Affairs, Office of the presidency (DAOP). Emails were sent to the 35 migrants requesting for interviews, out of which only three agreed to be part of the research. Subsequently, contact was made with three migrants who had returned to Ghana within the past three years. Then for every respondent interviewed, the researcher asked them to recommend other migrants who fit the pre-established criteria:

- a. Level of education: skilled (with tertiary education) and unskilled (with basic or no formal education) migrants were interviewed;
- b. Host country regulatory and financial framework: considering that different countries have their unique regulatory and financial framework, the study specifically included respondents from Sub-Saharan Africa, Europe and the United Kingdom, to enable a cross-country comparison.
- c. Gender balance: effort was made to ensure balance in the number of male and female respondents under each category in criteria (a - c) above.

Despite an initial sample frame of 35, only 15 respondents were interviewed eventually. The number of respondents was deliberately kept low to enable the study explore attitudes, preferences and motivations, which entailed sacrificing breadth for depth.

3.4. Method of data collection

An interview guide was developed (see Appendix B), which guided the interviews with respondents. The interview guide is divided into four sections. Section one included questions on the socio-demographic characteristics of the Ghanaian diaspora (age, gender, duration of

² <https://diasporaaffairs.gov.gh/ghanaian-associations-abroad/>

stay, civil status etc.); section two included questions on the frequently used remittance channel and the reasons for the preference; the questions in section three was used to explore the risks associated with different remittance channels; and the fourth section included questions on the migrant's risk mitigation strategy and conflict resolution mechanisms of different remittance channels.

3.5. Data management and analysis

Content analysis was applied to the qualitative data. Out of the 15 in-depth interviews, only nine respondents gave permission to be recorded, nevertheless, copious notes were taken for the remaining six. The recorded interviews were transcribed and coded, together with the interview notes. An initial 76 codes were identified, but following further refining, they were reduced to 20 based on (i) the research questions and (ii) recurring topics that came up in the interviews. The interview transcript and notes were then sorted in line with the codes, and eight most relevant themes in line with the research interest extracted, namely: Perception of obligations; stringent legal/financial framework; Convenience; leveraging social networks; privacy; safety nets; trust; and consequences of breaking trust (figure 3.5). Where relevant, direct quotes from respondents were used to further buttress some salient perspectives, which explain the choice of a remittance channel.



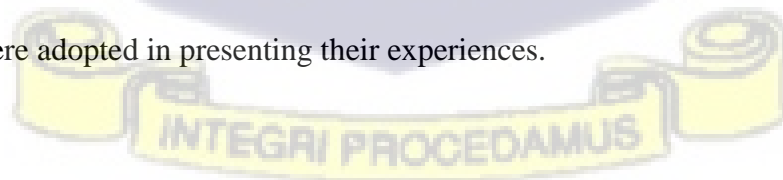
Figure 3.5.1 Identified themes



3.6. Ethical consideration

All research ethics were duly observed whilst conducting the study. An introductory letter (Appendix A) was obtained from the university and shared with everyone contacted for interviews. The scope and objectives of the research were clearly explained to all respondents, and they were given the opportunity to ask questions on the research topic.

Recognising the need to protect the data of respondents and respect their privacy, permission was clearly sought before interviews were recorded, and the wish of respondents who did not want to be recorded was respected. Finally, to preserve the anonymity of respondents, pseudonyms were adopted in presenting their experiences.



CHAPTER 4: FINDINGS AND ANALYSIS

4.0. Introduction

This chapter presents the findings and analysis from the in-depth interviews. The findings are instrumental for responding to the research questions and fulfilling the objective of the study. The socio-demographic profile of the respondents is presented as a precursor, which helps better understand the respondent's standpoint. The findings are organised according to the themes identified during the content analysis.

4.1 Socio-demographic characteristics of respondents

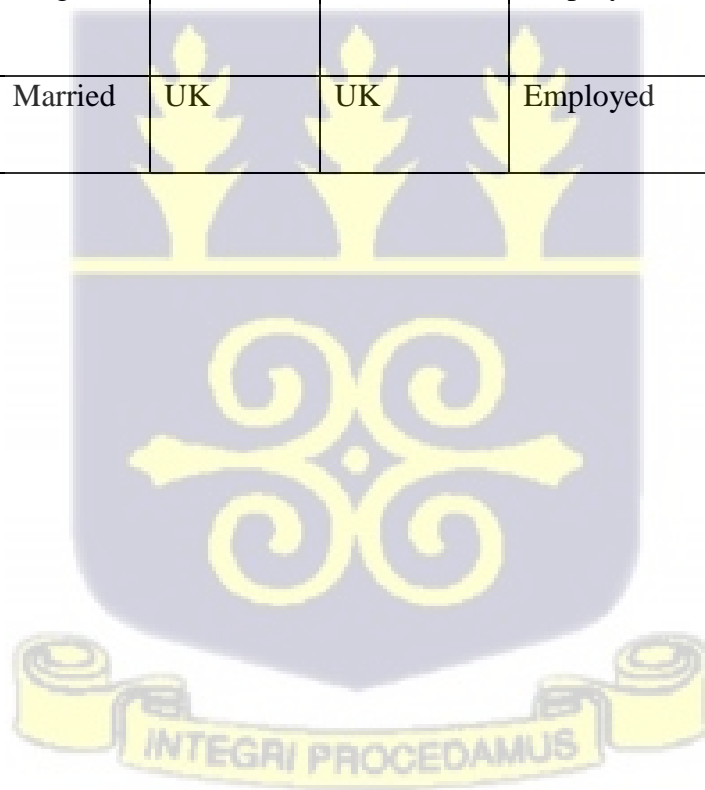
The respondents were made up of nine males and six females, all of whom fall within the 30 to 65 years age bracket. This tallies with Ghana Statistical Service data (2010 as cited by Awumbila et al, 2014) which found that Ghanaian emigration is male dominated, with most migrants between the ages of 15 to 65 years old. Fourteen of the respondents were first-generation migrants (born and raised in Ghana before migrating), while one respondent was a second-generation migrant (born and raised abroad, by Ghanaian parents). Regarding family ties, five respondents had their nuclear family with them abroad, while the remaining ten had their dependents in Ghana, indicating a preponderance of transnational family relationships (Caarls et al. 2018).



Table 4.1.1 Profile of respondents and their preferred remittance channel

S/N	Pseudonym	Sex	Age	Education	Marital status	Host country	Dependents Location	Employment status	Gene ration	Legal Status	Remittance channel	Service
1.	Adwoa	F	39	Tertiary	Married	Nigeria	Ghana	Employed	1 st	Regular	Formal	Bank
2.	Ben	M	32	Tertiary	Single	Australia	Ghana	Unemployed	1 st	Regular	Formal	App
3.	Dan	M	61	Secondary	Married	Belgium	Belgium	Unemployed	1 st	Regular	Mixed	Hand-delivery, App
4.	Dona	F	38	Secondary	Single	Kuwait	Ghana	Employed	1 st	Regular	Mixed	Bank, Trade-based
5.	Fifi	F	40	Tertiary	Married	Nigeria	Ghana	Employed	1 st	Regular	Formal	Bank
6.	Frank	M	43	Tertiary	Married	Nigeria	Ghana	Employed	1 st	Regular	Formal	Bank
7.	John	M	60	Primary	Married	Burkina Faso	Burkina Faso	Employed	1 st	Regular	Mixed	Bus, MTO
8.	Kweku	M	33	Secondary	Single	Germany	Ghana	Employed	1 st	Irregular	Mixed	Hawala, MTO
9.	Mandy	F	60	Secondary	Married	Nigeria	Nigeria	Unemployed	1 st	Regular	Mixed	Bank, trade-based

10.	Mary	F	35	Secondary	Widow	Algeria/ Kuwait	Ghana	Employed	1 st	Irregular	Mixed	Hand-delivery, DHL
11.	Owen	M	32	Secondary	Single	Germany	Ghana	Employed	1 st	Irregular	Mixed	MTO, Hawala
12.	Sam	M	30	Tertiary	Single	UK	Ghana	Employed	1 st	Regular	Formal	App
13.	Tim	M	40	Tertiary	Married	Qatar	Ghana	Employed	1 st	Regular	Formal	App
14.	Vivian	F	42	Tertiary	Single	UK	UK	Employed	2 nd	Regular	Mixed	Hand-delivery, App
15.	Yendi	M	63	Tertiary	Married	UK	UK	Employed	1 st	Regular	Formal	App



In terms of educational status, seven respondents had primary or secondary education, which puts them in the low skilled migrant category, while eight respondents had tertiary education, putting them in the skilled category. The three respondents with irregular status were all in their thirties and low skilled, which is consistent with earlier studies which found that most irregular migrants are low-skilled migrants with fewer legal pathways for migration (Ferriani & Oddo, 2019; Higazi, 2005; Pieke et al., 2007; Ratha, 2006; World Bank, 2009).

All the respondents indicated that they sent money to a family member or friend in Ghana on a monthly basis, with some respondents reporting that they sent money on a weekly basis to meet consumption needs. Even respondents who had their nuclear family members (spouses and children) with them abroad, still sent remittances to support the upkeep of extended family members and friends. In addition, three respondents remitted towards a building construction projects, and one respondent sent money towards establishing a business in Ghana.

4.2. Remittance as an obligation

The transnational nature of Ghanaian families came with a sense of obligation, irrespective of the distance between the country of origin and destination (Caarls et. al, 2018). All the respondents expressed a sense of duty towards extended family members such as uncles, nieces, cousins etc. Yendi, a 63-year-old migrant, based in the UK, elaborated on this sense of obligation towards extended family members:

When you are big brother and big uncle living in the UK, everybody thinks you're rich ...

So for the siblings and nephews and nieces and friends and extended relations and those people who love you and care about you, anybody who knows me in Ghana could ask for help. You know how the extended African relations work, with all its pros and cons. You

cannot pick and choose, it's a package. (Yendi, personal communication, October 13, 2021).

Most respondents described remittances as something they “have to” or “need to” do. The chief consideration was meeting the needs of loved ones back home. Family members, on their side, did not only expect to receive remittance from the migrant, but expected to receive it in a timely manner, to enable them meet immediate needs. Hence, despite the migrant’s effort to maintain a remitting schedule in line with their pay cycle, monthly or weekly, they were constantly faced with urgent requests, as explained by Mary, a 35-year-old migrant, who worked as a cook in Algeria before moving to the middle east.

I send money every month, at the end of every month . . .but then you know families, they can call you at anytime, anywhere, ‘we are in need or this or that, we need this urgently, we need money’, then you have to send it. (Mary, personal communication, October 19, 2021).

The sense of obligation towards loved ones back home manifests itself in different ways. For five of the respondents who did not have their family members (spouse and children) with them abroad, it seemed that they were under pressure to ensure a sense of normalcy at home, to cover up for their absence in the day-to-day lives of the family. Using remittances to maintain a semblance of normalcy in daily lives of transnational³ families has been described by Carls et al. (2018) as a coping mechanism utilised by migrants to “enact family life across borders” (p.9). For Frank, a 43-year-old skilled migrant, who works with an international organisation in Nigeria, ensuring that his family receives the needed support in his absence was a very important issue, to the point of negotiating a special arrangement with his employers.

³ Nuclear families with a family member in another country

Before I moved, the arrangement was for my organisation to divide my salary and pay a percentage to me, and the rest goes to an account in Ghana that my wife and I are co-signatories, so the larger part goes there. I didn't want to come here and have transfer issues. (Frank, personal communication, November 22, 2021)

Adwoa, another 39-year-old skilled migrant in Nigeria, who had a similar arrangement with her employer, seemingly compensated for her absence by managing the home remotely: paying utility bills and organising birthday parties.

Some months my kids have birthdays, my mum has her birthday, my friends have birthdays. I'm surprising my family with cakes and something like that, I order directly and pay by MoMo. . . Outside of upkeep, I pay my nannies and all the people that provide support for me. They need to be paid their monthly allowances. (Adwoa, personal communication, November 22, 2021).

However, a second-generation migrant, Vivian (42 years), who was born and raised in the UK, highlighted a different sense of obligation, towards Ghana as a country and towards extended family members in Ghana. For Vivian, remittances were a way of “getting-in”, connecting, developing and maintaining social ties with a country she had no real relationship with, except through the eyes of her parents. In this instance, remittances serve as a bridge connecting the diaspora to their roots, akin to Mauss's (1967) gift theory, remittances seem to be a conduit for creating and maintaining relationships, as well as enhancing solidarity. According to Vivian, “for a certain diaspora generation, remittance is the way that we're connecting” (personal communication, November 15, 2021). Although social media has helped in connecting second-generation migrants with the extended family members in Ghana, the connection may be tenuous since second-generation migrants do not have direct dependents in the country of origin (their parents also live abroad).

It is interesting to note that despite the need of the second-generation migrant to connect to her extended family in Ghana and to the country as a whole, she also did not want to remit the exact same way as her parents (simply supporting consumption needs), for fear of creating co-dependent relationships. This could be an interesting phenomenon for further research.

I want to put [money] into something I feel is more lasting. So, if it is to help to build an orphanage or contribute to a school or donate to a hospital . . . there is also some direct remittances I still do where I will just give people money because I know it's similar to how my parents did it. (Vivian, personal communication, November 15, 2021).

The last area where respondents exhibited a sense of obligation was towards fellow immigrants. In this case, migrants with legal status in the destination country (regular migrants) help their compatriots without legal status (irregular migrants) to send money home. Owen, a low skilled, irregular migrant in Europe attested to this “that time I was not having my own documents so I had to give the money to somebody to go and send it through Western Union.” (Owen, personal communication, October 14, 2021). However, helping irregular migrants transfer money comes with its own set of challenges for the helper, who bears the inconvenience of making several trips to MTOs to conduct the transfers. In addition, migrants who provide this service often open up themselves to scrutiny from authorities as indicted by Mary, who helped other migrants in the Middle East send money to Ghana.

They [officials] are so suspicious; ‘why are you sending so much money? Are you sure this money is genuine? Maybe you are stealing it?’ and you cannot tell them you are sending it for another person. You do it and that person will be arrested, so sometimes I switch to a different one [MTO], after two or three times I switch again, because it's

not mine, and I don't want to put that person in problem. (Mary, personal communication, October 19, 2021).

This kind of relationship between regular and irregular migrants corresponds to the definition of “bounded solidarity”, described by Portes & Sensenbrenner (1993, p. 1328) as “solidarity born out of common adversity”. This sense of solidarity sheds light on why a regular migrant would go out of his/her way to help an irregular migrant send money home. According to Portes & Sensenbrenner, bounded solidarity manifests as a sort of moral obligation to help people in the same social situation, even in the absence of recompense or punishment for not rendering such support. This explains why regular migrants, such as Mary, would go out of her way to help irregular migrants in her network send money home. Mazzucato (2011) also found that irregular Ghanaian migrants often rely on the identity of other Ghanaians in their network to work or access services in the destination country.

Based on the perceived sense of obligation by remittance senders to remittance recipients, senders are often concerned with the speed of transfer, to ensure that recipients receive the money in a timely manner. While studies from the economic point of view emphasised the transaction cost of remittance channels (Ratha, 2016), respondents in this study seemed more concerned with speed of transfer, accessibility for respondents and convenience for the sender. As Owen puts it “I like when I'm going to send money, I can even call and say I'm sending the money right now, so immediately I even send it, the person can also go there” (Owen, personal communication, October 14, 2021)

4.3. Formal versus Informal remittance channels

Respondents were asked directly about their preferred remittance service provider. Eight respondents reported utilising at least two different service providers, while none reported using only informal channels (table 4.1). Online money transfer services such as World Remit, Sendwave, Taptapsend and Remitly were the most frequently used service providers. The apps were specially popular amongst skilled migrants with legal status, who operated bank accounts, through which they funded the apps. Five respondents indicated using solely online transfer services because it was cheap, fast, easy to use, and convenient, in addition to providing immediate support in resolving issues. Classified as FinTech companies, these apps come with the added benefit of being able to effect transfers directly to Mobile Money (MoMo) accounts in Ghana. More in-depth analysis of the FinTech revolution is covered in the next section.

Traditional money transfer operators (MTOs) such as Western Union and MoneyGram, came second place in the popularity contest. Despite numerous complaints about the high fees, respondents still resorted to the services of these MTOs due to their worldwide reach, which made them easily accessible to both senders and recipients. These traditional MTOs seemed more popular amongst low skilled migrants and irregular migrants (who accessed MTOs with support from regularised compatriots). However, these traditional MTOs were seen more as a back-up plan, used in emergency situations when money is needed urgently by family members, and the other alternatives (agents, travellers) are not easily accessible. Banks were the least popular service providers, mostly because of the cumbersome processes and procedures involved. The three respondents who reported bank transfer as their only mode of transferring remittances were based in Nigeria, where the regulatory framework does not permit the transfer of funds out of the country through MTOs.

In addition, two respondents indicated that they used courier services for remitting. One of them used DHL (from Algeria to Ghana), while the other utilised the bus companies (Burkina Faso to Ghana). In both cases however, the senders had to hide the money in a parcel, since the couriers would not accept to courier money, under normal circumstances.

When I got there [Algeria], then I realised you can't send money. You have to use DHL, but DHL doesn't accept money. So you just do like you're sending something, then you have to put the money. There are many ways people hide to send money through DHL (Mary, personal communication, October 14, 2021)

While some studies have touted hand-delivery of remittances, through other travellers, as an important means of sending money home (Higazi, 2005; (Ferriani & Oddo, 2019; Pieke et al., 2007)), for the respondents in this study, cash-carrying was the least preferred remittance channel. Apart from the fear of being swindled, the method came with a number of inconveniences for both the traveller and the recipient, because it required a great deal of coordination, as elaborated by Dan, a 61-year-old migrant in Belgium.

Let me mention that sometimes, sending the money through someone going to Ghana, there are some inconveniences in it. The person may be travelling to Kumasi or even Takoradi from Accra, and you live in Tema or Ashongman, then you have to come to the airport, in the night, to meet the person and take the money, unless you get somebody going to the same neighbourhood as the person you are sending the money to. As for me, if the person cannot meet me at Accra airport to take the money, I will go to Takoradi with the money (Dan, personal communication, October 12, 2021)

The hawala system was also indicated by a respondent, as a viable option for irregular migrants. Peddled “under the table” by Africans who run ethnic stores in Europe, hawala agents provided a much-needed service to migrants who, for one reason or the other cannot access formal

channels. The hawala system is becoming increasingly popular in Sub-Saharan Africa, due to the restrictions on traditional MTOs from making outbound transfers (Kobo, 2021).

The trade-based system also came up as an informal method of sending remittances. According to two respondents who utilised this method to send money to their family in Ghana, they would give money to a particular businessman or woman in their social network in the host country, who used it to for business transactions, then upon return to Ghana, gives the cedi equivalent to their family members.

You know, in Kuwait, domestic workers are not allowed to open bank account. All your salary is given to you cash, so you have to give to the agent to use for shopping here, so when he goes back to Ghana, he will give cedi to my family (Dona, personal communication, December 02, 2021).

4.4. Finance and Technology (FinTech)

FinTech has been a gamechanger in money transfer operations and has been instrumental in breaching the financial inclusion gap in Ghana. The advent of online money transfer operators such as Sendwave, Worldremit, Taptapsend etc.; the adoption of online banking services by financial institutions; and the introduction of Mobile Money (MoMo) services in Ghana, have revolutionised the transfer of remittances. Direct transfers (through mobile apps or online banking platforms) to MoMo accounts were the most frequently used option for migrants and recipients, with all respondents interviewed confirming that they utilised MoMo services for sending remittances.

Despite the wide spread use of FinTech solutions for money transfers, respondents displayed mixed feeling in the use of FinTech. Some were wary because they feared that the apps can be easily manipulated by fraudsters, although they still used the apps out of necessity.

Well, you don't have a choice, because it will facilitate your life, and it is convenient. You know, initially, I was a non-believer of all these online stuff because of hacking, but I don't want my family to be stranded when a need arises, so I had to go for that. (Frank, personal communication, November 22, 2021)

On the other hand, some respondents outrightly preferred FinTech, because it eliminated the need for a “human intermediary” who may be prone to fraud.

There is no other medium, another human mediator or intermediary between you and the recipient, and so it is stress free and a very viable process that takes away the tensions of ‘oh God! is somebody stealing my money’. You know with scammers many in the world today [*sic*], when you get an app that can send the money securely and safely, it is a positive experience. (Yendi, personal communication, October 13, 2021)

For another remittance sender, the beauty of FinTech was in the anonymity, it provided, because for Adwoa, a 39-year-old skilled migrant who maintained a bank account in Ghana, remittance is a private matter.

I also find that my money is to the family, it is personal, unless there is an emergency, I would rather not have a third party involved . . . the banking app in my Ghana bank allows for that, it's easier, it's convenient, private. It is direct to the recipient without having third parties involved (Adwoa, personal communication, November 22, 2021)

In keeping with the concept of convenience, Ghanaians in the diaspora embraced FinTech solutions, because it is convenient, easy to use, traceable, reliable and cheaper than conventional banks and MTOs. Interestingly, traditional MTOs like Western Union and

MoneyGram now have online transfer platforms, but only one respondent seemed aware of its existence, though he did not utilise it.

4.5. Paying for Convenience

In marketing theory, the basic definition of convenience relates to savings in time and effort which motivate consumers to choose a particular good or service (Farquhar & Rowley, 2009; Yale & Venkatesh, 1986). Yale & Venkatesh also highlighted portability (ability to consume a product in any location) and accessibility (proximity, availability and flexibility) as key features of convenience goods and services. Farquhar & Rowley then went further to describe the time and effort invested in accessing a product as part of the non-monetary cost of the good. In the same vein, interviews with respondents revealed a willingness to pay higher transfer fees, in exchange for easier, accessible and flexible systems, which allowed them save time and minimise stress.

Eight respondents highlighted that time was an important consideration when choosing a remittance channel; the time spent in conducting the transaction as well as the time the transfer takes to reflect on the other side. For instance, John, a 60-year-old low skilled migrant in Burkina Faso, time spent conducting the transaction was a major factor “when you come [to the bank] the processes is too long . . . my last transfer worried me too much, so I don’t do that again”. (Personal communication, October 15, 2021). Interestingly, John’s preferred remittance channel is a bus transport company, which has busses travelling between Burkina Faso and Ghana every day. Even though a package (with money hidden in it) sent through the bus company takes approximately 24 hours to reach John’s family, he still preferred the bus

service, because he did not spend as much time conducting the transaction as he would in a bank.

We put money in envelope and give it to the bus company, so most of us, we don't do the banking system, because it's got too long system [*sic*] . . . I decided not to do that again (John, personal communication, October 15, 2021)

In line with the “Portability and accessibility” concepts of convenience (Yale & Venkatesh, 1986), ease of access for the sender is an important consideration for all respondents. They often chose a channel based on its accessibility (proximity to their workplace or home), in view of their daily schedule.

If you have to use the banks, it's very expensive and time consuming. You have to go to the bank to do the transaction. But with this app, from the comfort of your home, you will be seating at home [*sic*], you can send through your mobile phone (Dan, personal communication, October 12, 2021).

From the interviews, it is clear that transfer apps such as World Remit, Sendwave, Taptapsend or online banking were the most convenient for skilled migrants. The ability to remit comfortably was a common feature for eight respondents, who used words such as “smooth” “easy” “convenient” “comfortable” “close to me” in presenting the advantages of their preferred channels. Hence, they were willing to pay a price for convenience. According to Adwoa, “the charges are a lot, but it is convenient, so hassles are reduced” (personal communication, November 22, 2021). Additionally, respondents also cared about the recipients ease of access to MTOs, hence they were willing to pay higher transfer fees for remittance transfer services that were more accessible to their family members back home.

I use Sendwave primarily to send money to their MoMo, and because it has worked so well for people I send money to, I have not bothered looking into any other way of doing it. (Yendi, personal communication, October 13, 2021).

FinTech solutions which were easy to use and had mobile app features were the favourite amongst skilled migrants. Out of the seven low skilled migrants interviewed, only one understood and used mobile apps for remittance, although the number of years spent abroad (33 years) could have contributed to his level of awareness.

4.6. Transaction Cost

The cost of sending money has been an ongoing concern in remittance literature (Kosse & Vermeulen, 2014; Pieke et al., 2007; Ratha et al., 2016; Sander & Maimbo, 2005). In general, respondents were concerned about paying high transaction costs, even though advances in FinTech has helped in reducing cost of transfers. Respondents reported that online apps charge as low as 99 cents for transfers or nothing at all, when they are running promos, which made them cheaper than traditional MTOs (table 2.8.2). Nonetheless, when remittances are sent to a MoMo account, the recipient bears an additional withdrawal charge, fixed by the telecommunication carrier. Hence, the current proposal by the Government of Ghana to impose taxes on electronic transactions (e-levy) from 2022, will further increase the transaction cost of remittances.

Sending money through informal channels also comes with its own set of cost. According to a respondent, the hawala agents charge a flat fee of 10 euros to send money to Ghana, and on the Ghanaian side, if the recipient wants to collect the money in Euro, then they would bear the transportation cost of going to meet the agent in his/her location. The recipient can also choose to receive the money in cedis through bank transfer or MoMo, but at an exchange rate set by

the agent. In the same vein, when money is brought home by a traveller, the recipient also incurs the transportation cost of going to collect the money.

Based on the foregoing, informal channels are slowly losing their appeal, to regular migrants, of being a cheap alternative, due to the even cheaper FinTech solutions. Judging from the transaction cost of online apps, one could argue that the SDG goal 10.7c of 3% transaction cost has been attained. However, the low rates offered by FinTech apps are only available to regular migrants because they are funded through bankcards (see previous section on FinTech).

4.7. Legal and financial frameworks

The exigencies of the legal and financial regulations in countries of destination, is a crucial determinant of the choice of remittance channel. In many countries, extant financial regulations require that senders present an identity card before they are allowed to send money through traditional money transfer institutions such as banks and MTOs, a documentation not possessed by irregular migrants. Even money transfer apps such as World Remit etc. are funded using a bankcard, which means that irregular migrants are also barred from using such services. This leaves irregular migrants with only two options, patronise the informal transfer agents, also known as hawala (described in chapter 2) or fall back on existing social capital, where they get a regular migrant to help them send the money through formal channels.

Even amongst migrants with legal status in their host country, stringent financial regulations could pose a challenge to remittance senders. A respondent reported how the financial regulations in Algeria made international transfers out of Algeria very difficult, to the point

that migrants were resorting to disguising money as parcels, to enable them send money through courier service providers like DHL. In Nigeria as well, strict financial regulations mean that people can only receive money via MTOs, like Western Union, but not initiate transfers. Banks on the other hand also have daily transfer thresholds, as part of the measures for combatting money laundering. These measures make remittance sending complicated, as described by Fifi, a 40-year-old skilled migrant working in Nigeria.

Sending money from Nigeria is really complicated, really frustrating, really complex...it's a trauma. You wake up early in the morning and go to the bank. You literally have to beg them to be part of the threshold the bank has for the day. Some years ago, there was a directive from CBN, that they can only do money transfers to the tune of 1.2 million naira a day. So, you have to go to the Bank in the morning and beg and beg to get a transfer out . . . if you have to send money to two or three people, you try to get it to one person and the person shares it to the others. (Fifi, personal communication, November 23, 2021)

Three respondents, who were labour migrants in Nigeria, indicated that due to these limitations imposed by the Central Bank on financial transactions, they had to negotiate a special arrangement with their employers, which enabled them receive their salaries in Ghana. They then carry the cash they need from Ghana or send money to themselves through bank transfer, since it's easier to receive money in Nigeria, than to send it out. This phenomenon of migrants sending money to themselves can be referred to as "Reverse remittance", an emerging theme in remittance literature. Measured by the World Bank (2009) as a decline in foreign deposits, due to an outflow of foreign currency from less wealthy origin countries to wealthier migrant destination countries, Mazzucato (2011) further expanded the definition of reverse remittances to include services rendered by family members or a migrant's social network in the country of origin. Although respondents indicated the provision of reverse remittance by their family

or social network back home, in the form of childcare services and supervision of construction projects etc., this is not a focus for this paper; but the phenomenon could be worth exploring in further studies.

Another issue of concern for migrants is the exchange rate differentials, dependent, in part, on the foreign currency regime in the country. For some respondents, a low exchange rate is considered as losing money, as explained by Fifi.

When the naira started to go down, I made a decision for my salary to be paid into my home account, not even in cedi, because the cedi is also not that stable, although it is better than naira), but into my forex account, so that at any point in time, you know the value of your money. Then I would rather find a way of feeding myself here, so I would bring money here for my upkeep, rather than having money here. I basically have to bring money from Ghana. (Fifi, personal communication, November 23, 2021).

Interestingly, for some other equally skilled respondents, the exchange rate difference is the price for convenience; hence, they are willing to accept the exchange rate loss that comes with transferring between currencies.

I accept whatever rate the bank sets at that time, because it also doesn't make any sense to withdraw forex [*sic*], then change in the black market . . . the whole stress of going to the bank to take the forex and then going to the forex bureau to change that money, and still having to be charged for taking out that money in cash. The fuel I will buy and the time I will spend is not worth it. And a lot of the people you are sending to, you will still make a transfer anyway. For me, almost everything is out of convenience. (Adwoa, personal communication, November 22, 2021)

4.8. The concept of Trust

In describing their preferred remittance channels, respondents used a number of words severally: “reliable” “trust” “good”. Hence, we can deduce that “trust” was an important crosscutting issue for all respondents: skilled, unskilled, regular and irregular migrants alike. However, it was found that irregular migrants took more risks, in terms of trusting other people to remit on their behalf. This can be attributed to their lack of a legal status in the host country, which leaves them with fewer options, as highlighted in previous sections.

A lot of people are out there, they don't have visa; Nigerians, Cameroonians, they hide, it is normal. You are there hiding yourself to work. Definitely, you have to send money, you have family back home, so you have to look for someone who have the visa. When you have someone you trust, you plead with the person and the person will send it for you. (Mary, personal communication, October 19, 2021).

Here the concept of “bounded solidarity” (Portes & Sensenbrenner, 1993) comes up again, not just amongst migrants from the same origin country, but encompassing other migrants of African extraction. African migrants, with similar challenges, bonding together in an expression of “we-ness” (p.1328).

Trust also emerged as a deciding factor for hand-delivery of remittance through other travellers, mostly practised by low skilled migrant. The respondents who used this method all reported that they only used family members or friends who were “trustworthy”, “good” and “traceable” in case something went wrong.

Occasionally, I have sent money through people, but I've always used people that are really related to me. People I can trust, that I know, tested and tried, that won't do anything else than what I have asked them to do with it, so I haven't [*sic*] negative

experiences that way, because I have been very careful with whom I send money through (Yendi, personal communication, October 13, 2021).

However, there were exceptional cases when some respondents entrusted money to someone, they had no prior relationship with, but this was based on recommendations from other migrants who had relied on these people to deliver money in the past. In fact, one of the respondents who had helped other Ghanaians in the diaspora deliver money to their families at home, expressed shock at other people's trusting nature.

I have people I don't know giving me envelopes to take and I'm like 'you people are good!' even though they don't know me. I guess for some people, they get recommendations, 'give to so and so person or I have been sending through this person, you can give it to them'. But for myself, I don't even like it. (Vivian, personal communication, November 15, 2021)

The track record of remittance service providers (formal and informal) is regarded as an important prerequisite for using a service or person. Eleven respondents reported that they started using their preferred service provider based on the recommendation of people in their network, while two reported having received remittance from the said service provider while they were still Ghana, which motivated them to continue with same service provider when they migrated.

When I was in Ghana, my sister used to send me money using World Remit, so when I moved [to the UK], I just downloaded it and started using it. I have not bothered trying any other app, even though I hear there are others (Sam, personal communication, December 1, 2021).

For the respondents, using trusted channels saved them from the anxiety of the money not reaching its intended recipient. Even for irregular migrants who utilised the services of hawala

agents, they did this based on trust, that the agents would not defraud them, which meant only utilising agents who had a physical address, making them traceable. As explained by Owen (32-year-old irregular migrant in Europe).

The agents are very reliable. Though it depends on where you go to send the money, because those who have their shops are very reliable, then if you meet someone at one corner. They have their shops, there is no chance that they will do so [defraud you]. Also, what they are doing, it is not something that is legal, it is illegal, so they try also to hide themselves, so they don't pay taxes to government and other things. (Owen, personal communication, October 14, 2021).

The relationship between the agents and irregular migrants seeking to send money home fits the “encapsulated interest” concept of trust, as presented by Portes and Sensenbrenner (1993). In this instance, the nature of the service provided by the hawala agent constraints him to be trustworthy for two reasons: first, he needs to preserve his customer base, which is built through referrals/recommendations; secondly, defrauding a customer would jeopardise the legal business which serves as a cover up for the under-the-table dealings. The irregular migrant on the other hand, needs to preserve the relationship with the hawala agent, who provides a much-needed service of transmitting remittances to his family back home. This quid pro quo arrangement, keeps both sides honest in their dealings, so as not to jeopardise their individual interests in the transaction.

The above scenario is also the underlying principle in all business transactions, whether conducted through government-regulated channels like banks and MTOs or through the informal transfer system. Either way, each part in the transaction needs to be accountable, with some level of integrity, for the mutually beneficial relationship to continue, in line with the social exchange theory.

4.9. Dealing with transfer issues

For all remittance service providers, there was always the risk of the transfer not going through to the intended recipient. All the study respondents identified this issue as their main concern when using any service provider. For formal channels, transfer issues mostly occurred when there are issues with the internet; when there is an error in the transfer details, or when there is suspicion of fraud. However, these issues were usually rectified by the service provider, once the sender lays a complaint and can provide supporting documentation. The main drawback respondents had with formal channels was the lack of flexibility of banks and traditional MTOs in resolving issues, often requiring a physical visit to their office, during working hours, to resolve the issue. Online apps, on the other hand, exhibited a higher level of flexibility by providing 24-hour online support to resolve issues, as confirmed by Sam: “I am very satisfied with the app, because they provide a 24-hour service you can rely on to solve problems. They also provide constant updates on the status of your complaint”. (Sam, personal communication, December 1, 2021).

To deal with the rigid bank/MTO procedures, some respondents indicated that they leverage on personal relationships with staff of the service providers, who help to resolve issues faster. For Fifi, who maintained her salary account in Ghana, while working in Nigeria, having a specific individual to call at the bank was more effective.

I call the bank, sometimes it does not work, so about 2 years ago, I went home and I went to the bank to look for my relationship manager, since then, if I have problems, I send him an email and he tells me what to do. He actually fast-tracks issues with I.T people in the bank, so it's faster and easily resolved, rather than me calling customer

service and explaining things to them and they not being fast. (Fifi, personal communication, November 23, 2021).

Another risk associated with formal channels is the avarice of some MTO/bank staff who try to exploit the system for personal gains as enumerated by a respondent.

There was a time I was so much depressed. I needed to send money to a friend, the person's name is Eunice, then I was confused, I just got there and wrote ""U"" instead of ""EU"...*laughs*...I didn't know what I was thinking. When she went to the bank, they couldn't give her the money, then the guy said he can give her the money, but he will take his part from the money, if she agrees. She called me and I said 'No! I will go back, give me some minutes', so I have to go back there [to the bank], it was stressful! (Mary, personal communication, October 19, 2021).

With informal channels, the highest risk came with giving money to other travellers. Majority of the respondents did not have any negative experience, mostly because they had learnt from the experience of friend and colleagues, which made them extremely cautious. Consequently, they would only give money to people within their social network, whom they trusted. They however provided several anecdotes on other people's experience with this particular mode of remitting. John, the 60-year-old migrant in Burkina Faso told an interesting story:

There are some people here who can't come home, because they chop [embezzled] coffin money. They sent him to go and buy coffin for burial, reaching Kumasi, he chop dead body money [*sic*], now he can't go home...*laughs*... it is about 12 years that he is here, nothing works for him, but he can't go home. (John, personal communication, October 15, 2021)

Only one respondent confirmed having had a negative experience, because the businessman she gave money to remit to her family spent the money and never delivered it to her family.

All her efforts to recover the money, has proved abortive till date.



CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.0. Introduction

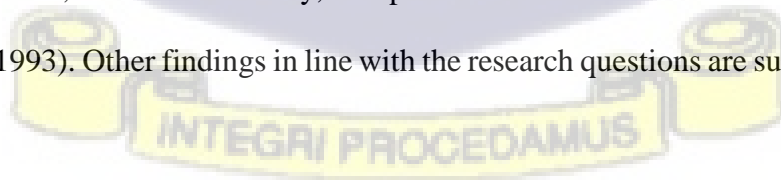
This action presents a summary of the study findings on the choice of remittance channels utilised by migrants. The conclusions and policy recommendations are presented, including recommendations for future studies on the topic.

5.1. Summary of findings

This study found that the different elements which influence migrants' choice of a remittance channel can be classified into two broad categories: *economic* and *social factors*.

- Economic factors comprise of transaction and transportation related costs. Transaction cost comprises of the transfer charges, exchange rate difference and withdrawal charges.
- Social factors, on the other hand, encompass issues of trust, convenience, influence of social network, sense of duty of the migrants towards their dependents and non-monetary costs measured in terms of time and effort exerted in completing a transaction.

Three key trust concepts came out strongly in the nature of relations between migrants and their social networks; bounded solidarity, encapsulated interest and enforceable trust (Portes & Sensenbrenner, 1993). Other findings in line with the research questions are summarised below.



5.1.1 Factors that affect migrants' choice of remittance channels

The study found a clear distinction between the factors that influenced regular versus irregular migrants; skilled versus unskilled migrant and first-generation versus second-generation migrants.

The legal status of regular migrants meant they had a menu of service providers to choose from, therefore, their number one consideration was transaction cost, followed by convenience. FinTech solutions/online transfer apps such as World Remit, SendWave, online banking etc. meet offer low transaction costs, plus the convenience of sending money at the click of a button, thereby almost obliterating the need of regular migrants to utilise informal channels at all. Furthermore, the widespread use of Mobile Money services in Ghana has greatly addressed the financial exclusion of rural dwellers, who can now receive remittances directly on their MoMo wallets. This finding bridges the gap in extant literature, most of which has not acknowledged the immense contribution of FinTech in addressing the challenges of high transaction cost and accessibility of financial services for remittance recipients. For irregular migrants, however, the lack of a legal status constrained them to two basic options: the services of hawala agents or the goodwill of regular migrants within their social network, who help them send money through formal channels such as Western Union or bank transfer. Migrants' social networks play a crucial role in enabling them identify and access a remittance service provider, enabling them fulfil obligations to family members back home.

Skilled respondents, most of whom were also regular migrants, exhibited more awareness of current developments in money transfer services and took advantage of it. Reverse remittance was also found amongst skilled migrants in countries with stringent financial regulations, who choose to domicile their salary accounts in Ghana. This contradicts Higazi (2005), who argued

that skilled Ghanaian migrants were prone to remit via cash carrying because of their high mobility. Most low skilled respondents on the other hand, were less aware of the diverse remittance options, and mostly used traditional money transfer services such as Western Union and bank transfers.

First-generation migrants revealed a greater sense of obligation towards their loved ones in Ghana, and made particular effort to remit in a manner which was convenient for the recipient, even if it meant incurring additional costs. The second-generation migrant on the other hand, seemed more interested in remitting towards a cause, such as schools, orphanages etc. as against simply supporting consumption needs. While the scope of this study and the sample size did not allow for in-depth analysis of the remittance behaviour of second-generation migrants, it recommends further research on this phenomenon.

Finally, trust was found to be the bedrock of all decisions to utilise any money transfer service, whether formal or informal. Ghanaian migrants in this study all had one thing in common, they needed the assurance that monies sent home will get to the intended recipient. Consequently, migrants utilised remittance service providers or relied on people from their social network, with established track record, based on the recommendation of other users in their social network.

5.1.2 Risks associated with different remittance channels

The number one risk with any remittance channel was that the money may not get to the intended recipient.

For formal channels, there was the risk of scammers manipulating the system to embezzle money or the staff of MTOs exploiting loopholes in the system to make monetary gains off migrant's remittances. It was discovered that anxiety over these perceived risks, engendered by horror stories from other migrants losing their hard-earned monies led to many migrants being extremely cautious about who they entrust with their hard-earned money. While the risk of fraud seemed more probable with informal channels, because of its off-the-book nature, the incidence was quite low amongst respondents. This is because informal channels are self-regulated, based on the principle of trust, as established in extant literature (Buencamino & Gorbunov, 2002; Pieke et. al 2007).

5.1.3 Mitigating risks posed by different remittance channels

Learning from the experience of their predecessors, most respondents had educated themselves on the options available for remittance transfers, even before embarking on their migratory journey. Hence, they were well equipped with the requisite information to ensure they do not make the faux pas of utilising questionable remittance service providers. For irregular and low skilled migrants, remittance service providers with a physical address were preferred, to enable follow-up in case of problems. Hawala agents with legitimate side businesses, such as ethnic stores, were ideal, because they were less likely to defraud the migrants, for fear of attracting the attention of the authorities to their illegal business.

Formal channels, on their part, had clear processes for resolving transfer related issues, and as long as the migrant provided the necessary documentations to back up their complaints, the issue was usually resolved. However, respondents found these procedures rigid, leading to dependency on social networks to resolve issues speedily.

Money transfer services, both formal and informal, thrive on recommendations; hence, operators usually endeavour to maintain some level of integrity, to avoid losing clientele.

5.2 Conclusions

1. Cost was not the deciding factor in the choice of remittance channels. Instead, reliability, ease of access, speed, convenience and flexibility were prioritised by migrants.
2. Social networks are an important resource for migrants both in the country of origin and destination. Fellow migrants, friends and family members in the migrant's social network provide valuable information on reliable remittance service providers and/or provided remittance transfer services themselves. Migrants also relied on their social networks in resolving issues with service providers back home.
3. In general, social considerations were found to have trumped the economic factors. Remitters' economic behaviour were reflective of their social orientation, and to a large extent geared towards fulfilling social obligations. This interconnection between social and economic action is part of the social embeddedness concept in economic sociology (Portes & Sensenbrenner, 1993).

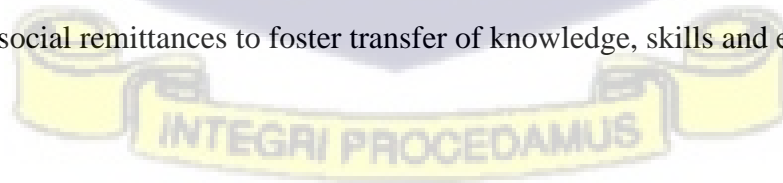
5.3 Recommendations

1. Advances in FinTech has contributed immensely in reducing the monetary and non-monetary cost of sending remittance as well as bridging the financial inclusion gap in

Ghana. FinTech solutions meet the needs of remittance senders, of a fast, accessible and cost-effective transfer service.

It is therefore important that policy makers and regulatory authorities continue to ensure a conducive environment for such businesses to operate in the country. Current efforts by the Government of Ghana to impose taxes on electronic transfers could detract the progress made so far in providing financial services to the unbanked. Furthermore, considering that remittances have proven to be a veritable source for smoothening consumption needs of recipients, imposing additional taxes on remittances, to be borne by recipients, in addition to the transfer charges borne by the sender, will lead to less funds being available to meet the needs of the recipients.

2. The Government should consider bilateral agreements with the main destination countries of Ghanaian migrants, to broaden the legal pathways for transferring remittances between both countries.
3. Finally, concerted effort is needed in engaging Ghanaians in the diaspora, including second-generation migrants, who have shown an interest in their countries of origin. The engagement should go beyond simply attracting cash remittances, but should include social remittances to foster transfer of knowledge, skills and expertise.



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APPENDIX A



UNIVERSITY OF GHANA
INSTITUTE OF STATISTICAL, SOCIAL
AND ECONOMIC RESEARCH



OFFICE OF THE DIRECTOR

ISSER-AC 5/6

Ref. No.:

October 4, 2021.

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

LETTER OF INTRODUCTION: MS. AMALA NKECHICHERE OBIKOYE-NWALOR (10874045)

The Institute of Statistical, Social and Economic Research (ISSER), wishes to introduce to you Ms. Amala Nkechichere Obiokoye-Nwalor, a Master of Arts in Development Studies student with ID 10874045.

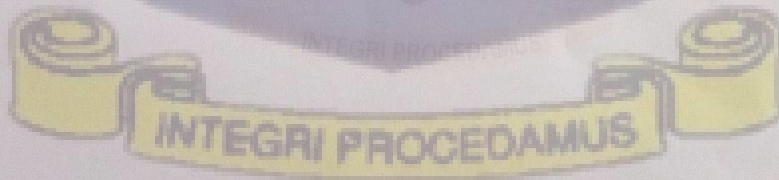
Ms. Obiokoye-Nwalor's research topic is **"Migrants' Choice of Remittance Channels: a case study of Ghana."** She will therefore need the assistance of your establishment to collect data for the research work. All data collected will be used solely for academic purposes and treated with the strictest confidentiality.

If you have any queries about this, please do not hesitate to contact the MA Coordinator on +233 268363281 or ktasante@ug.edu.gh

We hope we can count on your kind co-operation.

Yours faithfully,

Prof. Peter Quartey
Director



COLLEGE OF HUMANITIES

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APPENDIX B

University of Ghana

College of Humanities

Institute of Statistical, Social and Economic Research (ISSER)

Interview Guide

Topic: Determinants of remittance channels amongst the Ghanaian Diaspora

Socio-Demographic characteristic of respondents

1. What is your age?
2. What is your gender?
3. What is your level of education?
4. Which country did you migrate to?
5. How many years have you (did you) live there?
6. What is your marital status (probe for number of dependents)?
7. Was/is your family with you abroad or here in Ghana?
8. Did/do you belong to a hometown association while abroad?

RQ 1: Factors that affect migrants' choice of remittance channels

9. How frequently did you send money home?
10. How often do you travel to Ghana?

11. What was the purpose of the remittances sent to family or friends (family upkeep, education, healthcare, housing, investment, business)?
12. How did you send money home?
13. Why did you choose this particular channel?
14. How did you discover the service provider?
15. Did the purpose of remittance determine the service provider?
16. What is the frequency of sending remittances?

RQ2: Risks associated with different remittance channels

17. How satisfied are/were you with your preferred service provider? (probe for speed, cost, documentation requirement, access for sender and recipients)?
18. Can you describe a positive and/or negative experiences (if any) with the service provider?

RQ3: Resolving conflicts related to a preferred channel

19. In the case of a negative experience with the service provider, how did you resolve the issue?
20. How did your experience shape subsequent use of the service provider (probe for issues that could ultimately lead to a change of service providers)?

