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The Potential Contribution of the Zimbabwe Diaspora to Economic Recovery

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Table of Contents

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Foreword

A country’s human capital is an essential component of development, both contributing to growth and benefiting from that growth. As the authors of this UNDP Working Paper, Professor Daniel Makina and Dr. Godfrey Kanyenze, point out, in the case of Zimbabwe this human capital base has been eroded over time due to a complex mix of variables, with large numbers of both skilled and unskilled labour having migrated to other countries in search of better opportunities. Of particular concern has been the regression in the country’s educational and training institutions as a result of this exodus.

At the same time, this working paper also notes that the Zimbabwe experience is not unique and reference is made to a range of countries that have undergone significant levels of outward migration and have developed appropriate frameworks aimed at transforming their ‘brain drains’ into ‘brain gains’. The authors highlight the fact that many such countries have adopted enlightened policies towards their respective diasporas, which have enabled those governments to nurture a continuing sense of attachment on the part of diasporas to their home countries. The paper presents evidence that such policies, when well-designed and respectful of the needs and concerns of those they have targeted, have been beneficial to the economy and society of these migrant-sending countries.

It is hoped that this overview of the state of current global thinking on labour migration and diaspora issues, as well as the Zimbabwe-specific insights contained herein, will help to inform national debates and assist decision-makers in the difficult exercise of designing appropriate policy frameworks around this critical component for recovery.

Ms. Christine Umutoni
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Executive Summary

The political and economic instability that characterized Zimbabwe from 2000 onwards led to large numbers of Zimbabweans leaving the country. Destinations have varied from neighbouring Southern African countries to as far away as New Zealand, Australia, Canada, the United Kingdom, the USA and other countries. Estimates currently put the population of Zimbabweans living outside their homeland at between three and four million. This means that a quarter of the Zimbabwean population is in the diaspora.

This out-migration has had a negative impact on the country's human capital base and in particular national training institutions. Since independence, Zimbabweans had benefited from high standards of education and receiving countries have been quick to seize upon the opportunity to make use of the skills Zimbabweans have acquired. Medical doctors, nurses, teachers, engineers, as well as large numbers of semi-skilled and unskilled workers are now plying their trade in the diaspora. Despite the ongoing out-migration trend which has continued despite the formation of the Government of National Unity in February 2009, it is widely acknowledged that once the political and economic climate in Zimbabwe normalizes, this skills base that is currently in the diaspora could play a key role in helping to rebuild the country.

The objective of this working paper is to assess the developmental potential of the Zimbabwe Diaspora. The paper examines the nature, size and key features of the Zimbabwe Diaspora. It provides an account of post-independence historical migration, the various driving forces behind migration, remittance behaviour, government policy regarding the diaspora and institutional arrangements that need to be put in place to tap its developmental potential. The paper also discusses various diaspora strategies adopted by governments, ranging from remittance-maximization strategies to business-oriented strategies, and those that have been successfully employed by other countries to leverage the development potential of their diaspora. Based on past experiences and the particular circumstances of Zimbabwe, various policy strategies for enhancing the development potential of the diaspora are recommended. These fall under six broad areas, viz: (1) confidence building measures; (2) adoption and implementation of a migration and development policy framework; (3) measures to leverage remittance flows for development; (4) measures to attract back skills; (5) measures for engagement with the diaspora; and (6) engagement with bilateral and multilateral organizations.

One key observation contained in this paper is that while diaspora remittances will continue to play a major role in the short term, especially in supporting households and alleviating poverty, longer-term recovery in Zimbabwe will depend more on the return of human capital and skills in both the public and private sectors. The continued developmental role of the diaspora (those who do not return) during recovery and post-recovery might lie in fostering investment, business networks and facilitating brain circulation. This in turn will depend on improving governance indicators and Government restoring the political rights of the diaspora and rebuilding their trust in national institutions.

Acronyms

ADP	Asian Development Bank
BOP	Balance-of-Payments
BSP	Banko Sentral Ng Pilipinas
CFO	Commission on Filipinos Overseas
CSO	Central Statistical Office
CSO	Civil Society Organization
DAC	Development Assistance Committee
ESAP	Economic Structural Adjustment Programme
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNU	Government of National Unity
GPA	Global Political Agreement
HDI	Human Development Index
HTAs	Hometown Associations
IDAZIM	Institute for Democratic Alternatives in Zimbabwe
IFAD	International Fund for Agricultural Development
IFI	International Financial Institution
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
LEDRIZ	Labour and Economic Development Research Institute of Zimbabwe
LLC	Limited Liability Company
MFIs	MicroFinance Institutions
MICs	Middle Income Countries
MIDA	Migration for Development in Africa
MPI	Migration Policy Institute
MPOI	Mass Public Opinion Institute
MTAs	Money Transfer Agencies
NGOs	Non-Governmental Organisations
NIP	National Indicative Program
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OEDB	Overseas Employment Development Board
OFWs	Overseas Foreign Workers
OLAMWA	Office of the Legal Assistant for the Migrant Workers Affairs
OWWA	Overseas Workers Welfare Administration
PF-ZAPU	Patriotic Front – Zimbabwe African People’s Union
POEA	Philippine Overseas Employment Administration

RBZ	Reserve Bank of Zimbabwe
RIP	Regional Indicative Program
SADC	Southern African Development Community
SAMP	Southern African Migration Project
SIRDC	Scientific and Industrial Research and Development Centre
SME	Small and Medium Enterprise
SMS	Short Message Service
SSA	Sub-Saharan Africa
TOKTEN	Transfer of Knowledge Through Expatriate Nationals
UK	United Kingdom
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNHCR	United Nations High Commission for Refugees
UNESCO	United Nations Educational Scientific and Cultural Organisation
USA	United States of America
WENELA	Witwatersrand Native Labour Association
ZDDI	Zimbabwe Diaspora Development Interface
ZIPOVA	Zimbabwe Political Victims Association

Section 1

Migration and Development: A Conceptual Framework

1.1 THE CONCEPT OF DIASPORAS

The concept of diasporas encompasses political refugees, alien residents, guest workers, immigrants, expellees and ethnic and racial minorities in countries other than their original homeland (Shuval, 2000). What distinguishes diaspora migration from other types of migration is that it is based on claims to a natural right to return to an historic homeland. Crucially therefore, a key characteristic of diasporas is the strong sense of connection to a homeland maintained through cultural practices and ways of life practised in host countries, as well as numerous forms of interaction between diasporas and their home countries.

1.2 'NORTH-SOUTH' MIGRATION – THE GLOBAL ORDER OF MAGNITUDE AND SOME INSIGHTS INTO PATTERNS

According to the United Nations, as of 2008, 214 million people, or 3.1 percent of the world's population, live and work outside their land of birth (UN, 2009). This figure may be an underestimate, since such figures often fail to capture what is termed 'irregular migration', i.e., those who are not reflected in national censuses. Based on national samples, when such undercounts are taken into account, another 30–35 percent may be added to this total.

An estimated 37 percent of current international migrants move from developing to developed countries, around 60 percent move between either developing or developed countries, while 3 percent move from developed to developing countries. One interesting trend borne out by the data is that while the percentage of migrants moving from developing to developed countries represents a minority of the total, it is also the case that the vast majority move to a country with a higher Human Development Index (HDI) than their own. This is particularly so in the case of migrants from developing countries. Over 80 percent of total migrants from developing countries moved to countries with a higher HDI, with the additional, somewhat surprising, fact that most do not migrate to developed countries but rather to other developing countries with better employment prospects and living standards (UNDP, 2009: 23). The Zimbabwean experience would seem to fit into the latter pattern of movements.

Research has also thrown up interesting data pertaining to the numbers of skilled workers from developing countries (defined as those aged 25 or over and who have gone through tertiary level education) currently living in Organisation for Economic Co-operation and Development (OECD) countries, as well as the gains accruing to such migrants. In relation to the first variable, Clemens reports that some countries such as Guyana and Jamaica had 89.0 percent and 85.1 percent respectively of their tertiary-educated nationals living in the OECD countries as of 2000, while in sub-Saharan Africa the highest figures were for Cape Verde with 67.5 percent and the Gambia with 63.3 percent (Clemens, 2009: 62).

As far as gains to migrants are concerned, on the basis of a number of selected pairs of countries, Clemens notes that:

> *'A software developer in India can roughly triple her real earnings by moving to the United States; a physician from Cote d'Ivoire can raise his real earnings by more than six times by working in France… Many professionals who are willing and able to move can achieve life-changing increases in living standards.'* (Clemens, 2009: 3–4)

1.3 TRADE AND MIGRATION

Free trade economics treats labour, goods and capital as factors of production that should be allowed to move freely in order to maximize welfare gains on both a personal and global level, though there is ambiguity in regards to the welfare effects for the sending country as a whole. International borders and constraints on migration tend to be treated as market failures. Under a free trade scenario, countries with relatively cheaper labour can export labour-intensive goods or workers so that over time differences in the prices of goods and wages of workers among countries would converge. This process would reduce emigration pressures over time. In other words, economically motivated migration should decrease in a free trade world due to factor price equalization. Trading in goods would then become a substitute for economically motivated migration.

Empirical evidence has shown that trade and economic integration had the effect of slowing emigration from Europe to the Americas when in the 1950s and 1960s growth rates in Europe surpassed US growth rates and thus narrowed wage and income differentials. However, it has been observed that the process of moving towards freer trade and economic integration can increase migration in the short term and hence the need for cooperation between emigration and immigration countries to mitigate these effects (Widgren & Martin, 2002). Widgren and Martin suggest the linking of Official Development Assistance (ODA) to economic policy reforms in emigration countries, and the relaxation by developed countries of barriers to imports of labour-intensive goods such as farm commodities, garments and shoes produced by emigration countries.

Following this line of reasoning, if the SADC region succeeds in making progress in the area of regional integration, the migration pressure on South Africa, the major destination of Zimbabwean migrants as well as those from other member countries, could decrease over time because the resultant convergence of income levels emanating from integration would remove the incentive for such migration.

Section 2

Global Trends in Remittance Flows

2.1 OVERVIEW

As Table 1 below shows, there has been a notable increase in the global flow of remittances over the years. Remittance flows transferred through official channels more than tripled from US$101.6 billion in 1995 to US$317.7 billion by 2007[1]. According to the World Bank, remittances in 2008 stood at US$328 billion, 15 percent higher than the figure for 2007.

As a result of the global recession, the World Bank has estimated that remittances would fall by 7.3 percent in 2009 to US$305 billion. However, the decline is expected to be smaller than the decline in private or official capital flows since remittances are expected to be more resilient relative to other categories of resource flows to developing countries.

One key explanation for such resilience is that while, for example, portfolio flows may cease completely for a time, remittances tend to be only a small part of the income of migrants who will continue to remit, even if at a lower level than previously.

The analysis of remittance flows in Table 1 shows that Latin America and the Caribbean regions are the largest recipients of remittances by volume. However, as a proportion of GDP, the Middle East and North Africa are the highest recipients. On the other hand, remittance flows to sub-Saharan Africa are considered to be highly underestimated. It is estimated that informal remittances to sub-Saharan Africa may represent an additional 45–65 percent of formal flows as compared with about 5–20 percent in the case of Latin America (Freund & Spatafora, 2005: 42).

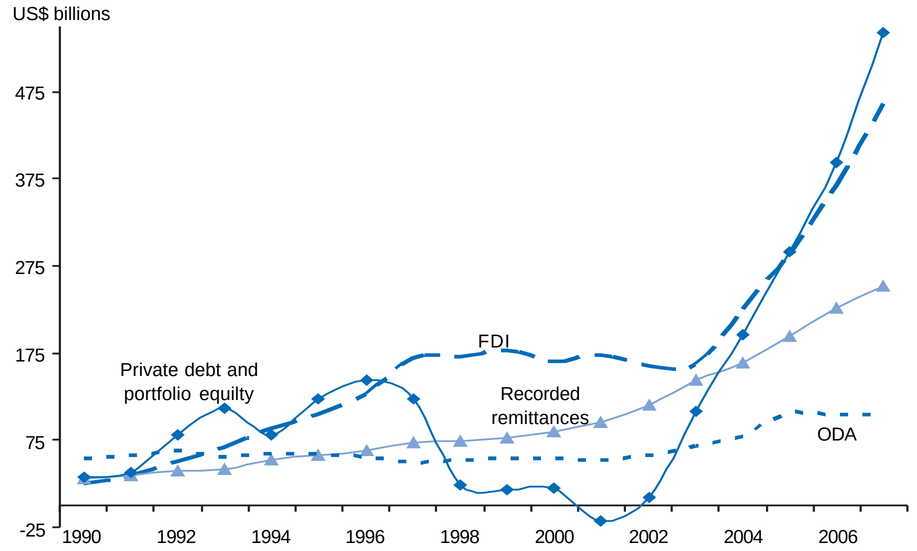
Table 1: Global flows of international migrant remittances (US$ billion)

Inflows	1995	2000	2001	2002	2003	2004	2005	2006	2007
All developing countries	57.5	85	96	117	145	163	188	199	251.0
Low-income countries	6.2	22	26	32	40	41	46	47	33.0
Middle-income countries (MICs)	51.1	63	70	85	105	123	142	152	218.0
Lower MICs	32.9	43	48	61	75	86	95	101	140.0
Upper MICs	18.2	20	22	23	30	37	47	51	78.0
East Asia and the Pacific	9.7	17	20	29	35	39	44	45	59.0
Europe and Central Asia	7.8	13	13	14	17	23	31	32	47.0
L/America and the Caribbean	13.3	20	24	28	35	41	48	53	61.0
Middle-East and North Africa	13.3	13	15	16	21	23	24	25	29.0
South Asia	10.0	17	19	24	31	30	35	36	44.0
Sub-Saharan Africa	3.0	5	5	5	6	7	7	7	12.0
High-income OECD	43.0	46	50	52	59	66	68	68	81.0
World	101.6	132	147	170	205	230	257	268	317.7
Outflows									
All developing countries	10.6	11.5	13.6	20.4	23.8	30.9	36.0	42.3	51.9
High-income OECD	66.4	76.0	83.0	88.0	98.0	111.0	119.0	140.5	158.5
High-income non-OECD	21.6	22.0	22.0	22.0	21.0	20.0	21.0	27.1	27.8
World	98.6	110.1	118.8	131.3	146.8	166.2	183.4	209.9	238.2

Source: World Bank, 2008

[1] According to the World Bank (2008), the inclusion of flows through unofficial channels increases total remittances by at least 50 percent.

Figure 1: Remittances, foreign direct investment (FDI), private debt and portfolio equity and official development assistance (ODA) trends, 1990–2006

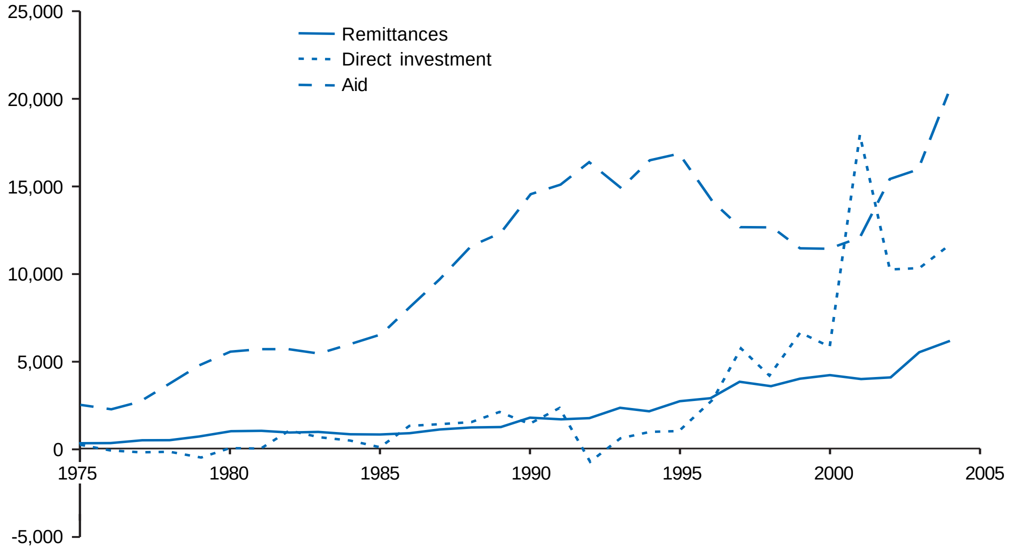


Sources: Global Economic Prospects, 2006 (World Bank), International Monetary Fund balance-of-payments yearbook, 2008; World Development Indicators, 2008 and Global Development Finance, 2008

On a global basis, Figure 1 shows that recorded remittance flows to developing countries have overtaken official development assistance flows in the past decade[2].

However, for sub-Saharan Africa aid flows are still significantly higher than recorded remittances (Figure 2). There are exceptions though, as individual countries such as Lesotho, Mauritius,

Figure 2: Remittance flows to sub-Saharan Africa, 1975–2004 (US$ million)[3]



Sources: International Monetary Fund balance-of-payments yearbook, 2006; International Monetary Fund African Department Database, 2006 and Organisation for Economic Co-operation and Development/Development Assistance Committee Database, 2006

[2] The remittance data are made up of aggregate worker remittances, compensation to employees and migrant transfer series from the International Monetary Fund (IMF) balance-of-payments database.

[3] Reported in Gupta, *et al.*, (2007).

Table 2: Comparative analysis of remittances by region – 2007, usages, % of GDP and channels

Region	Remittances World Bank 2007 in US$m	Remittances channels used	% GDP	Prime utilization of remittances	Countries of best practice
East Asia and Pacific	58,864	61% Formal	1.5	Consumption and developmental	Philippines
Europe and Central Asia	47,459	75% Formal	1.7	57% Developmental 28% Social security	Albania
Latin America and Caribbean	60,699	63% Formal	1.9	74% Developmental	Mexico
Middle-East and North Africa	28,707	51% Formal	3.9	Highly consumptive practices	Morocco/Egypt
South Asia	43,994	50% Formal	3.5	Developmental and consumption	India/Bangladesh
Sub-Saharan Africa	11,682	48% Formal	1.7	Consumption and social security	Nigeria/Kenya

Source: World Bank, 2008

Nigeria, Swaziland and Togo receive remittances that are greater than official development assistance. For instance, recorded remittances are almost 28 percent of GDP in Lesotho and more than 5 percent in Cape Verde, Guinea-Bissau and Senegal in 2005. In terms of sources of foreign currency, remittances constitute more than 25 percent of export earnings for Lesotho, Cape Verde, Uganda and the Comoros.

On a regional basis, Table 2 shows levels of remittances, channels used for transfer, prime utilization and regional 'best practices' countries in terms of remittance policies.

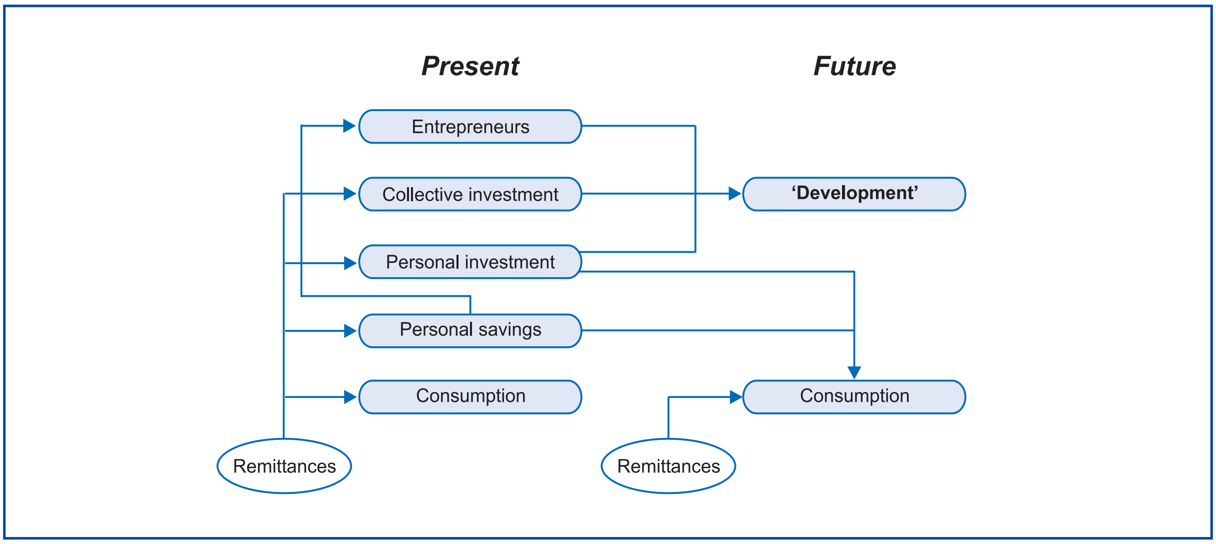
Across all regions, recorded remittances constitute between 1.5–3.9 percent of GDP. Over 50 percent of remittances are transferred through formal channels in all regions, except for sub-Saharan Africa.

2.2 THE NEXUS BETWEEN MIGRATION, DEVELOPMENT AND REMITTANCES

To the outside observer, the most visible and tangible link between migration and development is through the impact of remittances. Figure 3 below summarizes the linkages between remittances and development.

In essence, Figure 3 shows that if remittances today are spent on consumption, then future consumption

Figure 3: Remittances to development linkages



Source: Carling, 2004

has to be financed by future remittances, or other sources of income. On the other hand, if remittances are invested or saved in financial institutions, they can be used to finance future consumption and can lead to development. This means that remittances that are either invested or saved have a multiplier effect on the economy and have a developmental impact. Furthermore, it has also been observed that remittances can be applied in ways such that future livelihoods do not depend on future remittances. In a World Bank policy paper, Ellerman argued:

> *'In a community now largely dependent on income from migrant remittances, development would mean building local enterprises that would not live off remittances directly or indirectly (via the multiplier) so that local jobs could be sustained without continuing migration and remittances.'* (2003: 24)

The positive effects of remittances on investment in some receiving countries in Latin America and sub-Saharan Africa (SSA) have been observed where they have financed the building of schools, clinics and other infrastructure (Ratha, 2003). In addition, through the medium of institutions such as hometown associations, remittances have augmented public savings to finance small community projects. Massey and Parrado (1998), who examined enterprise formation in a sample of 30 communities in central-west Mexico, concluded that remittances from the United States provided an important source of start-up capital in 21 percent of the new business formations. Woodruff and Zenteno (2001) also find that remittances are responsible for almost 20 percent of the capital invested in microenterprises throughout urban Mexico.

The important role that the savings of returning migrants can play in terms of start-up capital for microenterprises is also borne out by data from other parts of the world. For instance, Dustmann and Kirchamp (2001) provide empirical evidence showing that 50 percent of a sample of Turkish migrants returning from Germany started a microenterprise within four years of resettling in Turkey using funds saved while working abroad. Where remittances have become substantial and fairly predictable over time, they have been used to improve a country's creditworthiness (lowering the cost of borrowing) and hence the country's access to international capital markets. Several banks in developing countries such as Brazil, Egypt, El Salvador, Guatemala, Kazakhstan, Mexico and Turkey have been able to raise cheaper and long-term financing (more than US$15 billion since 2000) from international markets via the securitization of future remittance flows (Ratha, 2007). Future remittance flow securitization reduces currency risk and allows securities to be rated better than the sovereign credit rating of the home country[4].

From a macroeconomic perspective, Gupta, *et al.*, (2007) of the IMF postulate that remittances also contribute to stability by lowering the probability of current account reversals because they are a stable source of foreign currency. Bugamelli and Paterno (2006) further observed that when international reserves are falling, or external debt is rising, remittances are likely to stem investor panic particularly for those countries that receive remittances above three percent of GDP. Thus, if remittances are measurable and predictable, they can contribute to macroeconomic stability in crisis times.

An additional point that might be made is that while private capital flows tend to be strongly pro-cyclical (in other words, there will be large inflows into an economy during the 'good years'), the reverse is true of remittances which tend to be less subject to wild fluctuations and may in fact play an important counter-cyclical role, increasing in volume when a recipient country's economy is in recession and the needs of its citizens are greater. The latter scenario assumes, of course, that the recession is not a global one which impacts negatively on the employment opportunities and incomes of migrant workers, and therefore the disposable income they are able to remit.

[4] For example, El Salvador's remittance-backed securities were rated investment grade two to four notches above the sub-investment sovereign rating of the country. The importance of having investment grade rating is that it makes securities attractive to a wider range of buy-and-hold investors, like insurance companies and pension funds, whose rules do not permit them to buy sub-investment grade securities.

This aspect of the counter-cyclicality of remittances used to be more of a logical proposition than an empirical fact. The hypothesis was based on the assumption that because remittance-sending decisions were made by individuals who possessed a detailed understanding of the needs of their family members in their home countries, such remittances tended to increase during economic downturns in the home economy, i.e. they were counter-cyclical. This was usually contrasted with private capital flows which tend to flow into an economy during the boom years and either dry up or become reverse flows during economic downturns, i.e. they are pro-cyclical. But recent studies, based on extensive data sets, have confirmed the validity of the hypothesis, with profound implications for the importance of remittances in terms of household security through the role they play in smoothing household consumption, expenditure and investment patterns (Frankel, 2009).

While such positive impacts have been widely emphasized in the literature, remittances have also been observed to have negative effects in certain instances. Substantial remittances could have the negative effect of producing the 'Dutch disease' also associated with all other kinds of transfer, including Official Development Assisitance (ODA). In countries receiving substantial remittances, there is a tendency for the real exchange rate to appreciate, which penalizes non-traditional exports, thereby hampering the development of the tradable goods sector. In this way remittances can lead to greater vulnerability to external shocks by increasing imports and reducing the incentive to develop exports (Bourdet & Falck, 2006).

Relying too much on remittances can also delay structural changes in the domestic economy. For instance, in the Philippines, a country with a remittance-maximizing strategy, Hugo (2006) has observed that remittances have discouraged modernization in the agriculture sector and also diverted attention from the need to attract Foreign Direct Investment (FDI) in manufacturing. The tendency to channel remittances into conspicuous consumption activities is also seen as undermining the potential of remitting to promote sustainable economic and social change (Magunha *et al.*, 2009). In terms of the negative effects on agriculture, if on the one hand and under certain conditions remittances can be used by farmers to modernize production, under another scenario, particularly in the case of small-scale farmers, it may have the opposite effect and lead to them engaging in out-migration themselves and an increased reliance on remittances on the part of the communities they leave behind (Connell & Brown, 2005).

Another possible negative effect is that remittances can fuel inflation in a country suffering from supply-side constraints. This could be acute in crisis countries where economic production has broken down and residents largely rely on remittances from relatives who have migrated. For instance, Parsons (2007) has postulated that remittances in the presence of rapid declines in aggregate supply in Zimbabwe could have been one of the contributory factors fuelling inflation in the country. In addition, it has been argued in the literature that remittances may deepen income inequality between impoverished rural peripheries and metropolitan centres, classes, men and women and accentuate dependency (Magunha, *et al.*, 2009).

Notwithstanding these negative effects, the solution lies not in undermining such remittance flows, but rather on minimizing the negative externalities through market reform, capacity building, addressing the political conditions and promoting the role of migrants in national development (UNDP, 2008; Magunha, *et al.*, 2009).

Section 3

Pre- and Post-Independence Migration in Zimbabwe

3.1 AN HISTORICAL OVERVIEW

Drawing on primary research and a range of published and unpublished sources, Pasura (2008) identified five overlapping phases of out-migration from Zimbabwe, beginning in the 1960s. These phases are illustrated in Table 3 below.

The first phase involved the migration of political exiles to neighbouring countries and abroad and labour migration to South Africa to work in the gold mines during the colonial period. In fact, labour migration to South Africa had been a recurring phenomenon throughout history. According to Makanya (1994: 107) the exodus of refugees and exiles from Zimbabwe to Botswana, Zambia and Mozambique during the liberation war reached its peak in the period between 1977 and 1978, such that by 1979 the United Nations High Commission for Refugees (UNHCR) (2000) estimated that there were over 210,000 Zimbabwean refugees in these countries.

The second phase involved white Zimbabweans fleeing military call-up occasioned by the war of liberation and those who feared retribution on attainment of independence (Selby, 2006). Tevera and Crush (2003) estimate that about 50,000 to 60,000 whites left the country between 1980 and 1984. The white population of 232,000 in mid-1979 was estimated to have fallen to about 80,000 by 1990 (Godwin, 1993: 315).

The third phase of migration emanated from the post-independence conflict in Matabeleland and parts of the Midlands between government and 'dissidents' which led to a military operation known as 'Gukurahundi'. This conflict is estimated to have led to the emigration of 4,000–5,000 refugees to Botswana, South Africa and abroad (Jackson, 1994: 126–166).

The fourth phase of migration is said to have resulted from the negative effects of the IMF/World Bank Economic Structural Adjustment Programme (ESAP) introduced in 1990. This programme led to widespread economic hardships that led many professionals such as teachers, nurses and doctors to leave the country in search of greener pastures abroad (Chetsanga & Muchenje, 2003; Tevera & Crush, 2003; Chikanda, 2005).

The fifth phase of migration is associated with the exodus that occurred from 2000 onwards, when a

Table 3: Zimbabwe's five phases of migration

Period	Nature of migrants	Size of migrants based on secondary sources	Main destinations
Phase 1: 1960–1979	Migration of political exiles and labour migration to South Africa	210,000 – political exiles 75,000 – labour migration to South Africa	Zambia, Mozambique, Botswana, Britain, South Africa
Phase 2: 1972–1989[5]	Flight of white Zimbabweans	142,000	South Africa, the UK, Australia, Canada, New Zealand
Phase 3: 1982–1987	Ndebele migration	5,000	South Africa, Botswana and Britain
Phase 4: 1990–1998	Migration of skilled professionals	200,000	South Africa, Botswana, the UK, the USA and Australia
Phase 5: 1999–present	The mass exodus following political and economic crisis	3–4 million	South Africa, the UK, Botswana, Australia, the USA, Canada, New Zealand, etc.

Source: Pasura, 2008: 98

[5] Note the flight commenced when the war for liberation escalated in 1972.

highly contested and controversial land reform programme was launched, interspersed with a series of disputed elections, all of which were marred by incidents of violence. As the economic and political situation deteriorated, Zimbabweans responded by trekking out of the country in large numbers. The destinations have varied from nearby Southern African countries to as far away as Canada, New Zealand, Australia, the UK and the USA.

3.2 ZIMBABWEANS LIVING ABROAD – MAGNITUDE AND LOCATION

While a sizeable number of Zimbabweans can be observed in almost every country across the globe, the three most favoured destinations in terms of numbers are neighbouring South Africa, Botswana and the UK. Extrapolating from the data sets of a survey of over 4,000 Zimbabwean migrants in Johannesburg, South Africa (Makina, 2007), taking into account renewed migration flows following the March 2008 general elections in Zimbabwe and the violence that ensued, as well as the relaxation of visa requirements to enter South Africa in April 2009, the trend of Zimbabwean migrant population growth in South Africa since 2001 is illustrated in Figure 4.

The Zimbabwe migrant population in South Africa is estimated to be 2.12 million at the end of 2009[6]. In the next most favoured destination, the UK, the Zimbabwean population has been estimated to be in the range of 300,000–500,000[7] and in Botswana, the third favoured country, it is estimated to be in the range of 200,000–300,000[8].

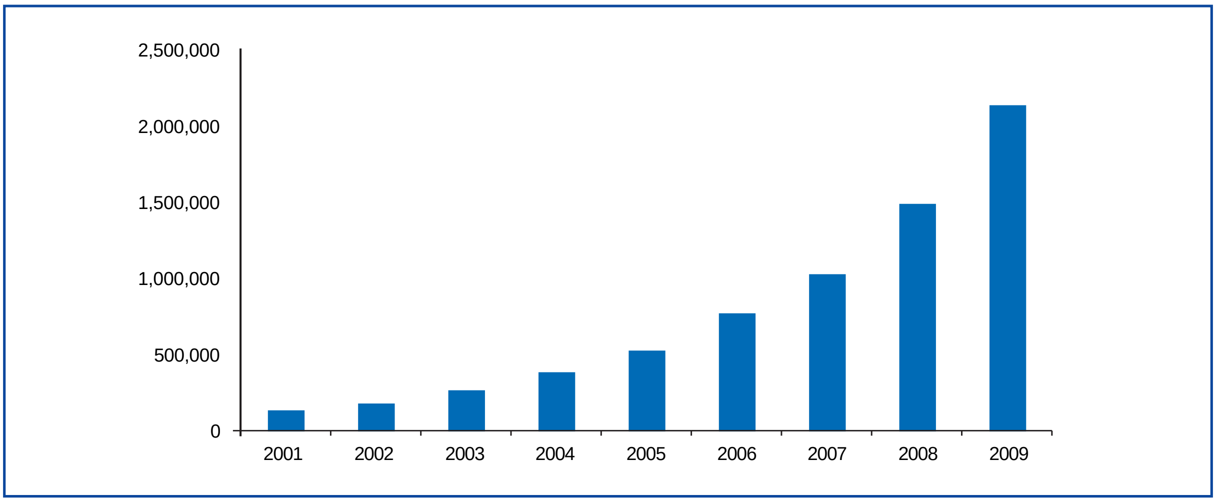
Globally, we estimate the number of Zimbabweans living outside the country to be between 3–4 million (about a quarter of the country's population) distributed in different countries and regions as per Table 4.

Table 4: Estimated number of Zimbabweans in the diaspora by location

Country/region	Estimated population
South Africa	2,120,000
UK	400,000
Botswana	200,000
Elsewhere in Africa	200,000
USA and Canada	50,000
Australia and New Zealand	20,000
Elsewhere in the world	50,000
TOTAL	**3,040,000**

Sources: Various survey and media reports, diaspora group sources and authors' own extrapolations

Figure 4: Trend of Zimbabwe population in South Africa



[6] The year-on-year average increase of 34 percent between 2001 and 2007 is estimated to have risen by a further 10 percent to a year-on-year average increase of 44 percent in years 2008 and 2009 as a result of election-related violence in 2008 and relaxation of visa requirements in April 2009. Noteworthy is the fact that our estimate of the Zimbabwean population in South Africa is significantly below media estimates of over 3 million. Note that estimates do not distinguish between regular and irregular migrants.

[7] See, for instance, Magunha, *et al.*, (2009) and the International Organization for Migration (IOM) Zimbabwe Mapping Exercise, 2006.

[8] Hanson, Stephanie (2008), Botswana an African success story shows strain. January. <http://www.cfr.org/publication/15108/>

It should be noted that there is also a measure of circular migration that takes place between Zimbabwe and neighbouring countries, especially South Africa, Botswana, Namibia, Mozambique, Malawi and Zambia. While there are sizeable populations of Zimbabweans in developed countries such as the UK, USA, Canada, Australia and New Zealand, the majority of Zimbabwean migrants are in Africa (mainly neighbouring countries). Those living in Africa (South Africa, Botswana and elsewhere in the region) constitute at least 2.52 million which represents 83 percent of the total Zimbabwe Diaspora. South Africa alone houses over two-thirds of the Zimbabwe Diaspora.

3.3 MIGRATION DRIVING FORCES

In the literature, two broad categories of migrants are identified: those who migrate for economic reasons and those who migrate for non-economic reasons. The factors that drive migration are usually grouped into three categories: demand-pull, supply-push and network factors. Table 5 shows such a categorization with examples of actual driving forces.

Survey studies on Zimbabwe emigration confirm that many of the above factors have been at play. Economic decline and political unrest are seen as the main supply-push factors driving migration (Chetsanga & Muchenje, 2003; Bloch, 2005; Makina, 2007), but understanding migrant motivation and behaviour, namely why one person leaves and another stays, is extremely difficult. In the aforementioned study conducted in South Africa in 2007 of over 4,000 migrants, Zimbabwean migrants were allowed to give multiple responses for leaving Zimbabwe. These reasons were then classified into general groups: economic (including unemployment), political and other (including family reunification). Political reasons for migration were mentioned by 58 percent of respondents. Reasons cited included political beatings, persecution, intimidation and torture, Operations Murambatsvina ('Operation Restore Order', a slum clearance programme in the country's urban and peri-urban areas conducted in 2005) and Gukurahundi (the aforementioned military operations in Matabeleland in the 1980s). Economic and employment reasons for migrating were mentioned by 82 percent of respondents.

It is noteworthy that in the sample, the reasons given for migrating have varied over time. Migrants who arrived between 1979 and 2001 cited economic conditions in Zimbabwe and the search for better employment as the major reason for migrating. Political reasons only became predominant from 2002 onwards. From 2005, economic reasons again overtook political reasons as the dominant driving force (Figure 5).

An analysis of reasons for migrating according to gender revealed that men left for more or less the same reasons as women. However, while there were a significant number of women leaving because of political reasons, men who left for the same reason are in the majority. Table 6 illustrates frequencies of multiple responses according to gender. Woman respondents gave a higher frequency for family reunification than men.

The 2007 survey also shows migrants originating from all provinces of Zimbabwe (Table 7). However, the majority are from the western part of the country. Nearly 40 percent of the sample gave Bulawayo as their place of origin and another 30 percent were

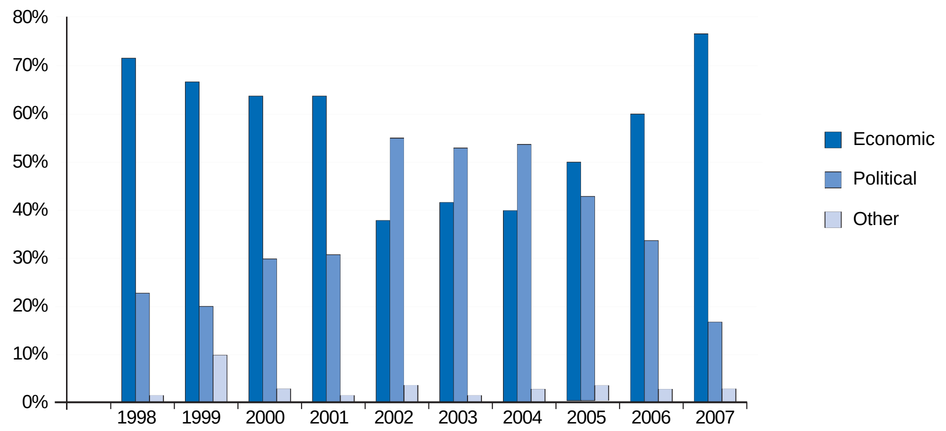
Table 5: Factors that encourage people to migrate

Type of migrant	Demand-pull	Supply-push	Network/other
Economic	Labour recruitment	Un- or under-employment; low wages	Jobs and wage information flows
Non-economic	Family unification (e.g., spouses reunite)	Flee war and persecution (e.g., displaced persons and refugees/asylum seekers)	Communications; transportation; assistance organizations; desire for new experience/ adventure

Note: The examples are illustrative only. Individuals contemplating migration may be encouraged to move by all three factors. Moreover, the relative importance of pull, push and network factors can vary over time.

Source: Widgren and Martin, 2002

Figure 5: Time-varying migration driving forces



Source: Makina (2007)

Table 6: Reasons for migration according to gender

Gender	Frequencies of responses			
	Employment	Economic	Political	Other (family reunification)
Female	47%	40%	37%	54%
Male	53%	60%	63%	46%
N = 4,642; None responses = 12				

Source: Makina, 2007

Table 7: Provinces sending migrant

Province	% respondents	Total
Harare	11	514
Bulawayo	39	1,825
Mashonaland Central	2	73
Mashonaland East	1	66
Mashonaland West	2	88
Matabeleland North	12	565
Matabeleland South	17	779
Midlands	8	359
Manicaland	4	177
Masvingo	4	177
N = 4,623; None responses = 31		

Source: Makina, 2007

from North and South Matabeleland provinces. Eleven percent of the sample was from Harare. In total, half of the migrants surveyed in Johannesburg came from Zimbabwe's two largest cities – Harare and Bulawayo. This shows that there is significant urban-urban aspect in migration from Zimbabwe to South Africa.

3.4 DEMOGRAPHICS

The gendering of out-migration from Zimbabwe has changed significantly over the last decade, as more and more women leave in search of work. This pattern is also now very different from other Southern African countries where male migration is still clearly the norm. A Southern Africa Migration Project (SAMP) survey in 2005 found that for the region as a whole, 84 percent of migrants were male and 16 percent were female. The female proportion varied from country to country – from 5–8 percent in the case of Botswana, Mozambique and Swaziland, to 16 percent in the case of Lesotho to 44 percent in the case of Zimbabwe (Pendleton, *et al.*, 2006). The gender breakdown of the Johannesburg migrant sample by Makina (2007) was 41 percent female and 59 percent male, which is broadly consistent with the findings of the SAMP survey.

The majority of Zimbabwean migrants from the Johannesburg survey of 2007 were of working age: 80 percent were between the ages of 20 and 40

(Table 8). There were very few migrants under the age of 18 or over the age of 50 (1 percent in each case). This might suggest that there is no youth or elderly migration from Zimbabwe to Johannesburg. However, the SAMP data suggests that while there may be little of this kind of migration to Johannesburg itself, it is by no means absent as far as South Africa as a whole is concerned. The SAMP survey found that 16 percent of Zimbabwean migrants were under the age of 25 and 24 percent were over the age of 50 (Pendleton, *et al.*, 2006). What this seems to suggest is that other destinations in South Africa (smaller border towns and farms, for example), may be attracting both younger and older migrants than Johannesburg.

Table 8: Age and gender profile of Zimbabwean migrants in South Africa

	Female	Male	Total
< 18 years	0.8%	0.6%	0.7%
18 – 20	6.2%	3.9%	4.8%
21 – 30	47.0%	35.3%	40.2%
31 – 40	36.2%	42.5%	39.8%
41 – 50	8.6%	16.1%	13.0%
51 +	1.1%	1.7%	1.5%

Source: Makina, 2007

With regard to marital status, 36 percent of the migrants were single, 55 percent married or cohabiting, 3 percent widowed and 6 percent divorced or separated (the SAMP figures were 32 percent single, 57 percent married, 4 percent widowed and 5 percent divorced or separated respectively, once again very similar) (Pendleton, *et al.*, 2006). While historically labour migration in the region was once the preserve of the single person (unmarried young adults of a household), this is no longer the case. In fact, the proportion of married migrants is even higher in Mozambique, Lesotho and Swaziland than it is in Zimbabwe.

The Zimbabwean migrant population in Johannesburg is relatively well-educated, particularly when compared to migrant streams from other SADC countries[9]. Of all migrants from other SADC countries, 43 percent possessed only primary education, compared to just 4 percent of Zimbabweans, 46 percent of Zimbabwean migrants had completed secondary school compared to a regional average – excluding Zimbabweans – of 25 percent, 22 percent of Zimbabwean migrants had a university or post-graduate degree compared to a regional average of only 5 percent and 28 percent had diplomas compared to a regional average of 6 percent (Pendleton, *et al.*, 2006). The 2007 Johannesburg sample confirms the relatively well-educated profile of the Zimbabwean migrant population (with 62 percent having completed secondary school, 15 percent with professional qualifications, 10 percent with post-secondary diplomas and 4 percent with degrees of some sort)[10]. Slightly over 15 percent of respondents in the Johannesburg sample reported that they had acquired additional qualifications and training in various technical and non-technical fields in South Africa which have helped them find gainful employment.

Finally, in terms of migrant profiles, respondents were asked how many dependents they supported in Zimbabwe and South Africa. Only 7 percent had no dependents in Zimbabwe while 72 percent had three or more (Table 9). These figures were not surprising. What is perhaps unexpected is that a significant proportion of the migrants said that they also had dependents within South Africa (55 percent). A portion of this would consist of Zimbabweans who had married locally, but it cannot account for all of it. In the past migrants tended to leave their families at home and send earnings back

Table 9: Number of dependents supported

No.	Zimbabwe (%)	South Africa (%)
None	7	45
1–2	21	43
3–4	42	11
5+	30	1
N = 4,632; None responses = 22		

Source: Makina, 2007

[9] For the region as a whole, 15 percent of all migrants have no education compared to a figure of only 0.5 percent of Zimbabwean migrants without education.

[10] It should be noted that the 2007 Johannesburg sample has a higher 62 percent of Zimbabwean migrants with a secondary education than the SADC regional figure of 46 percent.

to their relatives in Zimbabwe. The 2007 data suggest that the situation became so difficult in Zimbabwe that whole families were now migrating to South Africa.

3.5 THE IMPACT ON THE SKILLS BASE

This movement from Zimbabwe has not been just a mere exodus of people, but one that has severely compromised the country's skills base. Survey studies have attempted to estimate the magnitude of the brain drain in Zimbabwe resulting from migration. The Scientific and Industrial Research and Development Centre (SIRDC) survey (Chetsanga & Muchenje, 2003) found that 24.6 percent of Zimbabwean emigrants were trained doctors, nurses or pharmacists; 23.1 percent were engineers or scientists; 20 percent were teachers and 16.9 percent were accountants who were undocumented. In total, it was estimated that about 490,000 skilled Zimbabweans were resident outside the country by 2002. One writer estimated that between 70 percent and 90 percent of all Zimbabwean university graduates were working outside the country (Hill, 2004). Information from the UK Home Office Skills Audit on the pre-migration activities of respondent migrants provides further evidence on the high skills base of those leaving Zimbabwe for the UK. Table 10 below shows that a very large proportion had been in administrative and professional jobs prior to leaving and that this is higher than the average for all migrants in the UK.

The healthcare system has been particularly affected. The exodus of health care professionals has been extremely high amongst key staff such as doctors, nurses, pharmacists and social services personnel. It is estimated that more than 80 percent of the doctors, nurses, pharmacists, radiologists and therapists who were trained since 1980 have left. By 2003 the country had lost over 2,100 medical doctors, mostly to South Africa, Botswana, Namibia, the UK and Australia (Chikanda, 2005). It was noted that the country was losing an average of 20 percent of its health care professionals every year to emigration and that each of the country's five main hospitals was losing 24 senior nurses and three doctors every month. The study by Chikanda found that the United Kingdom was the major destination for Zimbabwean trained nurses and pharmacists, while doctors have mostly migrated to Botswana and South Africa. The dire situation in terms of the staff situation at the major referral hospitals and at the University of Zimbabwe College of Health Sciences is detailed in the 2009 UNDP Working Paper 3 – *Labour Markets and the Rebuilding of Human Capital.*

A survey by Clemens and Pettersson (2006) found the distribution of Zimbabwean medical professionals in eight destination countries to be as in Table 11.

Another interesting aspect, but one which is not uncommon in terms of the global experience of migrants, is the fact that large numbers of Zimbabweans in the diaspora are working in areas that are not commensurate with their skills levels,

Table 10: Occupation of respondents prior to arrival in the UK

Occupation	Zimbabwe (%)	All refugees (%)
Managers and senior officials	15	22
Professional	31	15
Associate professional and technical	11	8
Administrative and secretarial	17	6
Skilled trades	9	23
Personal services	2	2
Sales and customer services	8	9
Process, plant and machine operatives	4	8
Elementary	2	7
Total	N = 287	N = 1,070

Source: Home Office Online Report 37/04

Table 11: Distribution of Zimbabwean doctors and nurses in eight destination countries

	Doctors	% of total abroad	Nurses	% of total abroad
Total at home	1,530		1,164	
Total abroad	1,601	100	3,723	100
South Africa	643	40.1	178	4.8
UK	553	34.5	2,834	75.9
USA	234	14.7	440	11.8
Australia	97	6.1	219	5.9
Canada	55	3.4	35	0.9
Portugal	12	0.7	14	0.4
Belgium	6	0.4	0	0.0
Spain	1	0.1	3	0.1

Source: Clemens and Pettersson, 2006

and that in addition many work in areas other than the professions for which they were trained. In a survey in Johannesburg, South Africa, 35 percent of respondents reported that they do work that is not commensurate with their qualifications and another survey covering both the UK and South Africa reported significant unused skills in education (17 percent) and finance, sales and banking (16 percent) (Bloch, 2005 and Makina, 2007).

It is also important, however, to note that both policy analysts and decision-makers have gradually been moving away from past analytical frameworks which tended to treat such skills exodus as a static, deadweight loss to the country's economy and society, often even failing to take into account the role of remittances. A number of more recent studies have benefited from data sets which are a significant improvement over those extant a decade ago, a development which is itself a reflection of the growing recognition within the international development community of the impact of migration and remittances on development. A number of surprising insights have been thrown up by this more recent work.

Some of this research has questioned the validity of the seemingly commonsensical assumption that one of the consequences of skilled professional migration for low-income countries is a decrease in the public goods thereby available in their country of origin which translates into a net welfare loss. In one particular study which has benefited from a novel database covering African health care professionals, the analyst has set out to test the assumption that a greater net emigration of such workers in fact translates into a reduction in welfare in the home country measured in terms of public health outcomes (Clemens, 2007). The results are surprising and worth summarizing given their implications for national policies towards the diasporas, in particular that segment represented by skilled workers.

The Clemens study used 11 indicators of mass primary health care availability such as the under-5 infant mortality rates per 1,000 live births, diarrhoea prevalence, vaccination rates and the percentage of institutionalized deliveries. If mass emigration of doctors adversely affected the health status of the low-income masses, this would show up in these primary health care indicators. Clemens, however, failed to detect any negative impact of even significant emigration levels of African health care professionals on the availability of such care. For example, when he plots the stock of doctors abroad in a range of countries (with varying percentages of doctors in-country) against the under-5 mortality rate, he found that the correlation is at best a weak one and concludes that 'if we want to know why low-income children are dying in a particular African country, we learn nothing from counting how many physicians have emigrated' (Clemens, 2007: 20).

In addition, his research also failed to detect any negative impact on the stock of health workers in home countries of such emigration. If emigration constrains a country's health system, one of the ways it would do so would be by decreasing the total number of health professionals in the country.

Surprisingly, the research found a **positive** correlation between the number of doctors working abroad and the number of those working in-country for a total of 53 African countries, both expressed as the number of doctors per 10,000 of population. In other words, African countries with larger numbers of doctors abroad also tended to have larger numbers of doctors working domestically. As the author concludes:

> *'if one is interested in knowing why physician staffing is low across the entire health system of a particular country, one learns little from counting how many physicans have left the country. The primary causes of staffing constraints clearly lie elsewhere.'* (Clemens, 2007: 19)

A number of points can be made in regards to the 2007 Clemens study which should be borne in mind by decision-makers in Zimbabwe as they design a post-crisis diaspora policy. Firstly, they would be ill-advised to assume that deteriorating indicators in an area such as health are directly and solely attributable to the exodus of health care personnel and that bringing such emigrants back will directly translate into improved health indicators, given the range of other problems that impact negatively on national health indicators ranging from the skewed domestic distribution of health care that operates in most African countries (an urban as well as curative care bias), and more specifically in the case of Zimbabwe, seriously degraded health infrastructure.

Secondly, the Clemens study also illustrates the dangers of treating such emigrants as a deadweight loss, since the data also suggests that there may be a demonstration effect at work whereby the success of such emigrants increases the demand for the necessary training by new entrants into the field. Also the effect of remittances from such emigrants which acts as an important enabler in terms of allowing family members to pursue such training should also be taken into account, thus in effect contributing to neutralizing the negative effects of such emigration. This last point is an important one and had also been made by Easterley and Nyarko (2007) as part of an effort to counter what they characterize as 'brain drain alarmism'. On the basis of both theoretical and empirical research, they were able to confirm the existence of this transmission channel whereby there are stronger incentives for a home country population to invest in human capital formation where opportunities to emigrate are available. Applying their empirical framework to data from Ghana, they found that such skills creation incentives from emigration impact positively on the process of human capital formation at home and therefore offset the loss of skills.

Having noted the importance of these insights, a number of caveats are also in order. The conclusions drawn from the data on African emigrant doctors should not be automatically applied to other sectors such as education with their own specific characteristics. In addition, (and Clemens is aware of this important consideration) it would also be wrong to assume that there is complete substitutability between emigrant doctors and new entrants given possible variations in terms of work experience and differences in terms of quality of training received. As a result, at least in the short-term, there might still be a negative impact on health outcomes until new entrants have gained the necessary experience. Finally, and most importantly in the case of Zimbabwe, the validity of the Clemens findings as well as those of Easterley and Nyarko may only hold up to the point where national training institutions themselves remain functional. Where the emigration of human capital has reached the stage where the institutions producing the necessary skilled personnel to replace emigrants are themselves compromised in terms of their capacity to replenish stock, i.e., to either produce the numbers necessary or maintain the quality of their graduates, then there can be little doubt that the impact of large numbers of emigrants will result in a net welfare loss to society unless those institutions are rebuilt.

3.6 GRADE INFLATION

One consequence of out-migration is the employment of persons with lower educational qualifications and less experience in higher grades in the home country, a phenomenon referred to as grade inflation. UNDP (2008) identified the loss of skills and the deterioration in the country's training and education infrastructure as the single most important problem that industry will face in a post-crisis environment. It cites an executive of a firm that is the largest trainer of artisans in the country saying that his company was losing about half of its qualified artisans each year. As a result, it has become increasingly difficult to maintain quality standards. The UNDP study also noted that operating costs were higher where there are no 'experience effects' (learning-curve effects) as a result of high rates of staff turnover and the fact that employees do not stay long enough to accumulate experience. Furthermore, firms resorted to poaching skills from one another, leading to wage inflation. For example, in response to skills shortages, personnel previously categorized as technicians are now graded engineers, reflecting a downgrading of industrial capability across the board.

Another telling example of grade inflation is found in the case of the country's universities. In a paper presented at a conference on 'Brain Drain To Brain Gain,' in September 2009, the Vice Chancellor of Chinhoyi University of Technology, Professor Simbi, lamented the staffing situation at State Universities, where young lecturers have taken over responsibilities that used to be carried by experienced senior staff such as heading departments and supervising post-graduate students. In addition, the upgrading of young, inexperienced lecturers had resulted in the collapse of exchange programmes through which eminent scholars from elsewhere would collaborate on research projects with their local counterparts.[11] In the absence of suitably qualified local counterparts, foreign universities have simply terminated such programmes.

[11] Professor D.J. Simbi's presentation was on 'Employing the Zimbabwe Human Capital Website in University Education, Research and Sustainability'. The paper was presented at the Symposium on 'Brain Drain To Brain Gain' organized jointly by UNESCO, IOM and the Ministry of Higher and Tertiary Education, Vumba, 9-11 September 2009.

Section 4

The Zimbabwe Diaspora

4.1 DEFINING CHARACTERISTICS, INTENTION TO RETURN AND DIASPORA ORGANIZATIONS

By and large the Zimbabwe Diaspora has all the critical features of a diaspora as traditionally defined, namely that it is made up of a people with a common sense of displacement, both voluntary and involuntary, and who entertain a hope of returning home one day when the conditions that drove them into migration are removed. One interesting aspect is the pervasiveness of this desire to return home one day. Three studies corroborate the desire for return migration which is manifested by at least two-thirds of Zimbabwean migrants (Chetsanga & Muchenje, 2003; Bloch, 2005; Makina, 2007).

In the meantime, however, Zimbabweans in the diaspora have established numerous solidarity organizations in host countries that are intended to protect their rights. Table 12 lists some of these

Table 12: The key objectives of a sample of Zimbabwean Diaspora Organizations in South Africa

Organization	Formation date	Mission/Focus
Refugee Diaspora Organizations		
Zimbabwe Refugee Association (Johannesburg)	2000s	Uphold human rights and welfare of Zimbabweans in Johannesburg
Zimbabwe Restoration (formerly Refugee) Association (Durban)	2000s	Originally to protect rights of refugees and now currently engaged in empowering members to reconstruct/develop a future Zimbabwe through skills acquisition programmes
Zimbabwe Political Victims Association (ZIPOVA)	2003	Serve the full needs of Zimbabwean refugees as well as services and advocates for the development of the Zimbabwe Diaspora
Zimbabwe Exiles Forum	2003	Document the human rights violations visited upon Zimbabweans inside and outside the country
Professional organizations		
Doctors in the diaspora	2005	Deal with the problems of registration to practise and lobbies for the free mobility of doctors within the SADC region
Zimbabwe Lawyers Association	2006	Lobby for the interests of Zimbabwean lawyers in South Africa and in addition assists members to learn models of democracy to bring back to Zimbabwe
Association of Zimbabwe Journalists	2005	Assist Zimbabwe journalists living abroad to gain skills and build independent media
Cultural organizations		
Mthwakazi Forum	2005	Provide a debating forum for Zimbabweans on socio-political issues
Umbrella organizations		
Zimbabwe Civil Society Organization (CSO) Forum	2005	Promote civil society by uniting and strengthening the CSO sector to influence development policy and advocate for a new prosperous and democratic Zimbabwe
Global Zimbabwe Forum (now Geneva-based)	2007	• Create an international platform for all Zimbabweans in the diaspora • Mobilize development funds • Develop the human capital of the diaspora for the benefit of the development of a future Zimbabwe • Prepare the diaspora to plan and influence the future of Zimbabwe
Zimbabwe Diaspora Development Chamber	2008	Facilitate development projects both in the diaspora and in Zimbabwe

diaspora organizations in South Africa and their stated objectives. Members of these organizations participate in cultural, political, social and economic activities related to the home country.

Zimbabwe Diaspora organizations beyond South Africa include the Zimbabwe Diaspora Development Interface (ZDDI) in the UK, the Zimbabwe Global Forum in the USA, the Coalition for Change in Canada and the Concerned African Association in Botswana. These organizations, formed in the early 2000s, are reflective of the refugee flow nature of migration from Zimbabwe at the time, as their main focus is facilitating the granting of refugee status of Zimbabweans in host countries and the protection of their rights. However, from 2007 onwards, many diaspora organizations began to take on a more distinctly development-oriented agenda. These include the Geneva-based Global Zimbabwe Forum, London-based Zimbabwe Diaspora Development Interface and the Johannesburg-based Zimbabwe Diaspora Development Chamber.

A landmark event in the history of Zimbabwe's diaspora organizations was the hosting by the Zimbabwe Diaspora Development Interface (ZDDI) of the diaspora Investment Conference in September 2009 in London. The event focused on key policy issues relating to investment opportunities for the Zimbabwe Diaspora, the question of skills return and development. The Conference brought together officials from the Government of National Unity, the UK and the diaspora. The ZDDI is a recent organization formed after the Global Political Agreement (GPA) with a focus on development as its website 'About Us' indicates (Box 1).

4.2 DIASPORA REMITTANCES AND DEVELOPMENTAL ACTIVITIES

4.2.1 Estimates of Remittance Flows

For the purposes of this working paper, remittances are taken to be the total funds, including in-kind goods, sent by individuals resident abroad to recipients in Zimbabwe through both formal (i.e., banking system) and informal channels. The magnitude of remittance inflows to Zimbabwe is

Box 1: About Us

The Zimbabwe Diaspora Development Interface (ZDDI) is a non-partisan development platform that was launched on 27th of September 2008 at the University of London after a series of meetings dating back to September 2006. It is an initiative of Zimbabweans living in the United Kingdom who are committed to 'light the candle rather than curse the darkness'. The ZDDI stems from the recognition that Zimbabwe has suffered a serious brain drain over the years and time has come for a brain gain.

It seeks to provide a wider platform for the engagement of Zimbabweans abroad for the purposes of harnessing new ideas and skills, experiences, networks and financial resources for the development of Zimbabwe. The organization also seeks to contribute towards the creation of an overall inclusive developmental framework, in collaboration with all concerned stakeholders within Zimbabwe and abroad. Furthermore, the formation of networks within the Zimbabwean Diaspora aims to achieve specific goals, such as investment, appropriate technological transfer, national healing and reconciliation and specific Zimbabwean interests.

While most discussions about Zimbabwe hosted by UK-based research institutes continue to be informative, there is however a lack of ownership of the Zimbabwe debate by the Zimbabwean Diaspora, which should be aptly providing leadership on the subject. In addition there is an absence of an over-arching platform among Zimbabwean groups in the UK where all competing interests can be openly and objectively debated without falling prey to party political identities. In this vein the forum endeavours to work with all Zimbabweans and all other stakeholders interested in the development of Zimbabwe. It embraces all those who are committed to working towards the consolidation of such an objective platform.

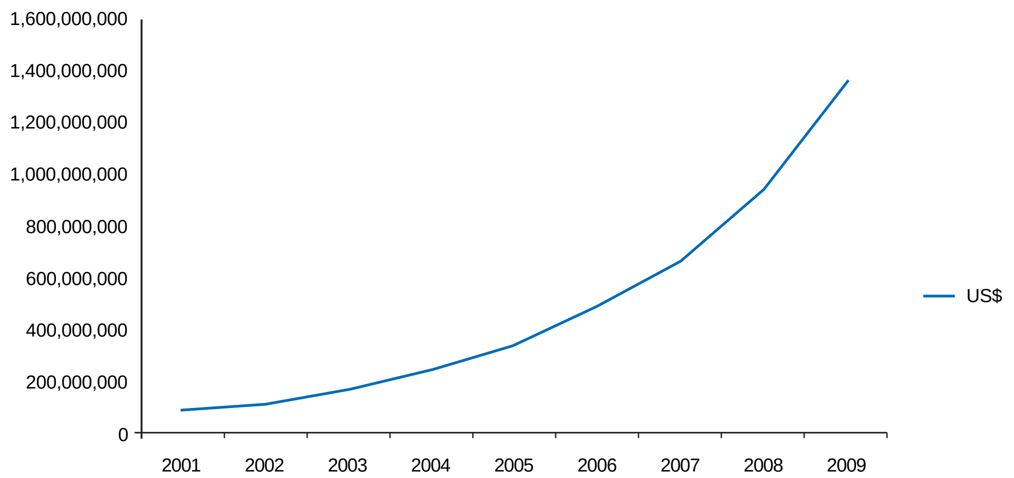
As part of its strategy, ZDDI will make an effort to establish linkages with other diaspora associations based outside the UK working along similar lines in order to facilitate a much broader debate on Zimbabwe without recreating the polarization that has afflicted Zimbabwean politics.

Source: <http://www.zimdiasporainterface.org/>

unknown because these flows largely occur through informal channels[12]. Remittances officially reported by the Reserve Bank of Zimbabwe (RBZ) go through designated Money Transfer Agencies (MTAs) and are miniscule at US$5.2 million in 2006 and US$23.9 million in 2007. The fact that most remittance flows are not recorded, or by-pass formal structures, presents a number of challenges for both analysts and policy-makers. Using a range of methodologies, the International Fund for Agricultural Development (IFAD) reported that in 2007 Zimbabwe received US$361 million in monetary remittances, excluding in-kind transfers. This represented 7.2 percent of the country's 2007 GDP.

Remittances are difficult to measure accurately. Most measures use official balance-of-payments (BOP) or central bank data which rely on wire-transfer flows officially reported by financial institutions. Estimates of remittances derived from such data usually under-estimate actual remittance flows. Given that most remittance flows into Zimbabwe come through informal channels, we have attempted to estimate the likely trend of both formal and informal flows using the approach adopted by Mellyn (2003) for the Philippines. This approach estimates remittances as a product of the stock of migrants abroad and the average transfer value derived from MTA data. For Zimbabwe, we have slightly modified the approach using survey data for both the stock of migrants and average value of remittances. From survey data, the stock of migrants are estimated to have risen from about 200,000 in 2001 to slightly over 3 million by 2009; 80 percent of migrants are assumed to be remitting an average of US$500 per annum[13]. Given these assumptions, our rough estimates of the likely trend of remittance flows through both formal and informal channels into Zimbabwe over the years are shown in Figure 6 below. Remittance flows are believed to have risen from under US$200,000 in 2001 to nearly US$1.4 billion by the end of 2009. Considering that a recent study of remittance strategies of Zimbabweans living in Northern England by Bailey, *et al.*, (2009) estimated that US$0.94 billion was sent from the UK alone in 2007, our rough estimate of the overall trend of remittance flows could in fact still be on the conservative side.

Figure 6: The likely trend of remittance flows (formal and informal) (US$)



Source: Own calculations

[12] A survey in South Africa found about 98 percent of remittances were being intermediated through informal channels that included taxi/bus drivers, friends and other informal means (UNDP, 2008).

[13] The average of US$500 remittances per migrant per year is derived from a survey in South Africa that roughly estimated that a migrant remits about US$40 per month. The stock of Zimbabwean migrants abroad over the years 2001–2009 is estimated using South Africa Statistics census data of Zimbabweans in South Africa in 2001 that is extrapolated forward on the assumption that migrants in South Africa have consistently constituted two-thirds of the total stock of Zimbabwean migrants abroad.

4.2.2 The Remittances Regulatory Framework and Transfer Channels – Some International Experiences

Given the growing international focus on turning what is often characterized as a global 'brain drain' into a 'brain gain,' and harnessing the developmental aspect of diasporas by promoting the flow of remittances, governments in a number of countries have put in place supportive regulatory frameworks.[14] For example, the Philippines government introduced a Labour Code in 1974 that established a legal framework for migrant labour recruitment practices in that country, leading to the establishment of the Overseas Employment Development Board (OEDB). This Board was later merged with the National Seamens Board and the Bureau of Employment Services in 1982 to form the Philippine Overseas Employment Administration (POEA). In order to facilitate overseas employment and to achieve a higher standard of protection and promotion of the welfare of migrant workers and their families, the government promulgated the Migrant Workers and Overseas Filipino Act of 1995 (Ruiz & Agunias, 2007).

To facilitate the inflow of remittances from Indian migrants, the Indian government passed the Foreign Exchange Management Act in 2000, which replaced the Foreign Exchange Control Act that had previously placed strict controls on foreign-exchange transactions by fixing the Rupee rate. As a result of these changes, non-resident Indians were now willing to change their foreign currency in their deposit accounts into local currency. Another example from South Asia is that of Bangladesh. In order to deal more effectively with issues of migration, the government of Bangladesh created a Ministry of Expatriates' Welfare and Overseas Employment in 2002. This was followed by the adoption of an Overseas Employment Policy in November 2006 which acknowledged the need to encourage emigration as a way of reducing unemployment (Siddiqui, 2004 and Ratha, 2007).

In the case of Mexico, the Electronic Fund Transfer Act of 1978 outlines consumer rights regarding use of wire service transfers. The Official Gazette of January 2004 published a set of reforms to several financial laws aimed at strengthening the financial system and promoting transparency, and on May 14 2004 a set of rules were approved by Congress to regulate the operation of auxiliary credit institutions, including exchange bureaus and money transfer agencies, all aimed at enhancing formal remittance inflows.

In the case of Morocco, the Government repealed all repressive laws concerning migrants and created a ministry for Moroccans residing abroad in 1990. At the same time, the government of Morocco established the 'Fondation Hassan II pour les Marocains résidant à l'étranger'. aimed at fostering links between Moroccan migrants and their homeland. These new laws were targeted at the expanding Moroccan Diaspora, through for example the promotion of naturalization and dual citizenship. In the case of Kenya, the government created an institutional framework for addressing diaspora issues, the National Diaspora Council of Kenya in 2004, in order to complement other existing regulatory frameworks governing migrants and remittances.

The case studies reviewed by Labour and Economic Development Research Institute of Zimbabwe (LEDRIZ, 2009) illustrate the role of financial intermediation in facilitating remittance inflows through formal channels and several countries have introduced innovative, technology-based instruments to facilitate such transfers. For instance, most transfers to the Philippines, a country which ranked fourth among the world's remittance-receiving countries in 2007, are through official channels. To facilitate this mode of transfer, a network of local and foreign corresponding banks was established to handle remittances for Filipino migrant workers. As a result, the role of informal transfer channels (mainly door-to-door companies that work independently from banks and courier services) dropped sharply from 21.9 percent in 2001 to 3.4 percent in 2007, and Filipino-run door-to-door money transfer agents are increasingly entering into partnerships with commercial banks.

[14] See Labour and Economic Development Research Institute of Zimbabwe (LEDRIZ) (2009) for a review of the regulatory framework in eight case study countries that achieved an exponential growth in remittances.

Prior to 1993 in India, the Hawala (informal) network was the dominant channel for remittance transfers; before then the government of India strictly regulated the exchange rate thereby creating huge incentives to transfer money through informal and unregulated channels. Since 2006, however, the Reserve Bank of India, which regulates the remittances industry, reported that apart from banks other players have joined the money transfer market, increasing the competition between service providers to the benefit of customers. In one interesting development, Western Union, an international MTA, went into partnership with the Indian Post Office that has 150,000 branches in India, giving it access to the most remote areas of the country.

In Morocco, 60 percent of remittance flows are transmitted through formal channels. The country has a wide and efficient banking system, with 25 commercial banks and five money transfer agencies/companies (MTAs). MTAs account for 75 percent of the market and compete with banks, while postal services take up to 15 percent of the market share.

In the case of Kenya, remittances to that country are predominantly sent through commercial banks using telegraphic transfers, electronic funds transfers and bank drafts for large value transfers. Postal Corporation and Afri-payments Limited Liability Company (LLC) have introduced a new money transfer service known as PostaPay which allows Kenyan migrants to send funds through a website or a toll free call. In March 2007, Safaricom (a joint venture between Telkom and Vodafone – the largest cell phone company in Kenya) introduced a money transfer service known as M-Pesa that allows its customers to send remittances electronically by cell phone through the Short Message Service (SMS).

Compared to developments elsewhere, the legal, institutional and policy frameworks for migration and remittances in Zimbabwe leaves a lot to be desired and the country is a laggard when compared to the 'best practice' countries referred to above which have created legal and institutional frameworks that are conducive to the evolution of partnerships, remittance flows and participation of diasporas in the development of their countries. Zimbabwe currently lacks a comprehensive legal, institutional and policy framework to deal with migration and development. The approach to these issues is fragmented, with various ministries involved. In addition, until 2009, the macroeconomic environment in the country was characterized by extreme levels of macroeconomic instability and in particular hyperinflation. Coupled with a tightly controlled and highly overvalued official exchange rate, this translated into added incentives for remitters to resort to informal systems of transfer and for recipients to use the foreign-exchange black market.

The introduction of the Homelink facility by the Reserve Bank in April 2004 aimed to encourage migrants to remit funds through formal channels. However, notwithstanding the existence of numerous MTAs, at least 222 bureaux de changes and other instruments, the impact was minimal given continued macroeconomic instability and the continued attractions of the parallel market. As a result of years of high levels of inflation, cash withdrawal limits that were imposed by the Central Bank, and popular mistrust in the banking system, at the time of the introduction of the current 'multicurrency' regime an estimated 65 percent of people were unbanked (Makina, 2009) thereby further undermining the use of formal channels. Even though a Migration and Development Unit was created in the Ministry of Economic Planning and Investment Promotion in April 2008, a Labour Centre to facilitate recruitment of farm workers in the Limpopo Province of South Africa was established in 2008, and meetings have been organized between the Inclusive Government and the diasporans, reforms in the remittance sector remain piecemeal and fragmented (LEDRIZ, 2009).

4.2.3 Remittance Utilization and Economic Impact

Survey data suggest that given the opportunity Zimbabwean migrants would like to contribute towards business related activities in Zimbabwe. However, this is dependent on an improvement in the political and economic situation at home. The data in Table 13, based on the responses of Zimbabweans in South Africa and the UK, shows that sending remittances ranks fourth among ways they would like to contribute to the development of Zimbabwe.

Table 13: Five most popular ways that respondents would like to contribute to development in Zimbabwe

	UK	South Africa	Total
Investment in business	62%	53%	58%
Transfer skills through working in Zimbabwe	44%	31%	38%
Transfer skills through training in Zimbabwe	44%	31%	37%
By sending remittances	32%	27%	29%
Investment in land development	34%	22%	28%

Source: Bloch, 2005

Remittances play a major role in supporting livelihoods in Zimbabwe. A 2007 survey, carried out by the Harare-based Mass Public Opinion Institute (MPOI) on survival strategies employed by the Zimbabweans at home, found that remittances from friends and relatives ranked as the fourth most important source of livelihood for households after salaries, farming and 'off-farm' and 'extra-job' activities. Remittances were reported to be an alternative source of income in providing for food (12 percent rely on them), health care (11 percent) and cash income (11 percent). In addition, they had become a critical source of foreign currency for the Government[15] (MPOI, 2007).

An earlier study on *Remittances, poverty reduction and the informalization of household wellbeing in Zimbabwe* by Bracking and Sachikonye (2006) found that in addition to reducing poverty, they contributed to productive accumulation. Another study by Pendleton, *et al.*, (2006) showed that remittances had become an essential part of the household budget and had reduced vulnerability at the household level in both urban and rural areas. About 90 percent of the 705 migrant households (i.e., households with at least one member who is resident outside the country) sampled throughout the country reported that family members who have migrated remit cash back home regularly using both formal and informal channels. An analysis of the importance of remittances in meeting household expenses showed that the net contribution of remittances ranges from 80–93 per cent of total expenditure. This showed that migrant earnings are contributing significantly to household income security in Zimbabwe (Pendleton, *et al.*, 2006).

A study on the uses of remittances by households in rural southern Zimbabwe carried out by Maphosa (2007) showed that while consumption tops the list, remittances are applied to a wide range of needs as shown in Table 14.

A recent study in the UK (Magunha, *et al.*, 2009) confirms the wide range of uses of remittances (Table 15).

Table 14: Uses of remittances

Remittance use	Number of remittance-receiving households	Frequency
Food	79	98.8%
School fees	63	78.8%
Medical expenses	52	65.0%
Livestock	47	58.8%
Building and consumer goods	25	53.8%
Agricultural inputs	43	31.2%
Business	8	10.0%
Other	31	38.8%

Source: Maphosa, 2007: 130

15 A government minister once acknowledged as much in a private conversation with a reporter. Asked how sustainable the economic crisis was, he reportedly stated: 'What's keeping us going is remittances from Zimbabweans who left the country. Without those, 50 percent of the people who are struggling to survive at the moment would die' ('Lunch with a dissident minister', *The Sunday Times (UK),* 8 July 2007).

Table 15: Remitting activities of Zimbabweans in Northern England, 2008

Items remitted during 2007	Percentage of sample who said they remitted *this item in 2007*
Cash for general household support	55.5
Cash for food	60.2
Cash for school fees	52.6
Cash for household bills	41.2
Cash for clothes	39.5
Cash for fuel	27.8
Cash for medicines	41.9
Cash for funeral costs	40.2
Cash for purchase of household items	18.9
Cash for building project	20.9
Food purchased through remittance exchange agencies	19.9
Fuel purchased through remittance exchange agencies	15.0
Medicines purchased through remittance exchange agencies	10.1
Food items themselves	13.4
Actual medicines	16.7
Actual household items	11.5
Actual clothing items	28.2
Actual vehicles	8.8

Source: Magunha, et al.*, 2009*

4.2.4 Other Diaspora Activities

While remittance-sending activities form the core of diaspora activities in support of families and relatives, migrants also transfer 'soft technology' to their homeland. This soft technology transfer channel takes the form of skills acquisition by migrants in the diaspora which they use in the home country when they return. Furthermore, in line with the international patterns, they play an important role in the stimulation of political debate, the strengthening of civil society, facilitating education for non-migrants that have remained at home and the emancipation of women and minority groups in their country of origin (Massey, *et al.*, 1998).

In the case of Zimbabwe, drawing on international experiences, the causal link between migration and the creation of a citizenry capable of contributing to rebuilding a post-crisis Zimbabwe, is illustrated in Box 2.

Over and above the role that the diaspora experience can play in terms of acting as a transmission belt for best practices in the area of good governance, is the impact in terms of skills acquisition. The 2007 Makina survey showed that over 15 percent of respondents reported that they

Box 2: Learning Governance Principles in the Diaspora

Stage One:
Political and economic crisis forces Zimbabweans to seek greener pastures in other countries, many of which are democratic countries. In fact, the preferred destinations of migrants and refugees have been democratic countries such as South Africa, Botswana, the UK, the USA, Australia, New Zealand, etc.

Stage Two:
Adding to skills acquired in Zimbabwe, life in foreign countries forces Zimbabweans to pick up new skills and to accumulate capital. Furthermore, they are also able to familiarize themselves with best practices in the area of governance and they are able to transmit these ideas home.

Stage Three:
A vibrant Zimbabwean civil society has developed in the diaspora that promotes the interests of Zimbabweans in the adopted countries. As Table 12 shows, this has happened on a large scale in South Africa, where a plethora of Zimbabwean civil society organizations have been formed to advance the interests of Zimbabweans in the host country. Through these organizations operating in open societies, migrants learn the importance of civil society in strengthening governance and accountability systems.

Stage Four:
When conditions are sufficiently attractive for Zimbabweans in the diaspora to return home, members of the civil society organizations that were developed in the diaspora would import their unique experiences of living in free societies and thus contribute to the development of strengthened governance.

had acquired additional qualifications and training in various technical and non-technical fields in South Africa which have helped them to be gainfully employed. Economic activities in which respondent migrants are engaged in South Africa are listed in Table 16.

A similar pattern obtains in the UK. A recent study by Magunha, *et al.*, (2009) shows migrants being employed in professions indicated in Table 17. The majority have taken up care work despite having had more senior jobs before leaving Zimbabwe.

Table 16: Most common economic activities of Zimbabwean migrants in South Africa

Profession/Activity	Percentage of sample
Domestic worker/gardener	11
Security	13
Hairdressing	5
Shop assistant	6
Teacher	7
Driver	3
Health professionals	3
Hawking	10
Multiple professions	3
Artisans	9
Hospitality workers	12
Other (including no responses)	18
Total	100

Source: Makina, 2007

Table 17: Economic Activities in the UK

Category	Activity	Percentage of sample
Main activity in UK	Full-time employment	39.9
	Part-time employment	7.8
	Student	17.0
	Unemployed or looking for work	4.6
	Not working for other reasons	13.7
	Working at home (care)	0.3
	Missing	16.7
Main paid job in UK	Carer	20.3
	Nurse or sister in hospital	8.8
	Managerial	3.9
	Teaching	2.3
	Administrative/clerical	1.3
	Technician	1.3
	Retail worker	1.3
	Finance clerk/cashier	1.0
	Other	52.3
	Missing	15.5

Source: Magunha, et al., *2009*

Section 5

International Experiences in Enhancing the Developmental Potential of Diasporas

5.1 OVERVIEW OF POLICY MEASURES FOR LEVERAGING REMITTANCES

Carling (2004) provides a synoptic inventory of policy measures for leveraging remittances that are summarized in Table 18.

Empirical analysis by Docquier and Lodigiani (2006) finds evidence of important network externalities whereby business networks driven by skilled migration have stimulated Foreign Direct Investment (FDI) inflows in their countries of origin. They give as an example China, where it is estimated that 50–70 percent of FDI originated from the Chinese Diaspora. In their sample of 114 countries, they find network effects to be significant in large countries with large diasporas. Furthermore, these effects are stronger in democratic countries as well as countries with only moderate levels of corruption.

Notwithstanding the beneficial effects of some of these policy measures, scholars have cautioned that remittances should be treated as private flows and therefore it is inadvisable to have policies that force them to be channelled into productive investments when the general investment conditions have not been improved. Connell and Brown (2005: 48) outline key considerations that should be factored into the design of policies aimed at stimulating a greater flow of remittances into sustainable investments:

(a) 'Investment is limited by savings and/or the availability of foreign exchange. If this were not the case there would be no reason to believe that increasing the inflow of remittances would induce, or at least enable, additional investment.

Table 18: A tentative inventory of policy measures to enhance the developmental impact of remittances

Objective	Measures
Capturing a share of remittances for development purposes	• Duties or levies on remittance transfers • Voluntary check-off for charitable purposes (on transfer forms)
Encouraging transfers through formal channels and/or stimulating capital availability	• Remittance bonds • Foreign-currency accounts • Premium interest rate accounts • Promoting/enabling transfers through microfinance institutions (MFIs) • Promoting financial literacy/banking the unbanked
Encouraging investment of remittances	• Outreach through MFI infrastructure • Outreach through migrants' service bureaux • Tax breaks on imported capital goods • SME schemes (financial, infrastructural or innovative) • Training programmes
Outreach to migrant collectives/hometown associations (HTAs)	• Matched funding • Private-public partnership ventures • Competitive bidding for development projects
Influencing consumption patterns	• Promoting consumption of local goods and services • Enabling migrants to spend on their relatives' behalf
Securing future remittances	• Promoting continued migration • Promoting transnationalism/diaspora management

Source: Carling, 2004

(b) Investment in the economy of the home country is necessary if the long-term income security of the population is to be sustained.

(c) Migrants themselves are the appropriate agents for investing their remittances. In effect, they are all latent entrepreneurs.

(d) If remittances are to be channelled into productive investments in the home country, they must be transferred through official channels.

(e) Migrants' savings in the home country and their remittance levels are sensitive to relative real interest rates. This, in turn, implies that migrants are motivated to remit for reasons of self interest (financial gain) and not only to meet the needs of nuclear and extended families.'

Following on from the last two points above, two additional arguments are often advanced in favour of remittances flowing through formal financial systems. One is that financial institutions have a much wider knowledge of productive investments than individuals and are thus able to identify investment projects with higher returns. The second argument is that these higher returns would in turn attract an even higher level of investment than in the case where the financial system is bypassed. However, for these conditions to be met, a well-functioning financial system with high levels of intermediation would have to exist, something that is absent in many developing economies.

This emphasis on the importance of creating the appropriate conditions so that remitters are willing to send their finds through official channels should be accompanied by a note of caution, since the temptation for governments of receiving countries to try and 'control' such sources of foreign exchange is a real one. This point has been argued forcefully by one analyst who points out that:

> *'The sending of remittances is a decentralized decision made by individuals, based on a familiarity with and appreciation for the needs, desires, constraints and opportunities faced by themselves and their families… Free-market theory says that private agents do a good job of making these decisions… If the hypothesis is true, then efforts by national governments to harness remittances are likely to be harmful, above and beyond the obvious point that taxing them could "kill the goose" that is flying the golden eggs in to the country'.* (Frankel, 2009: 2–3)

As already referred to above, emigration countries that have actively courted their diasporas have employed a number of diverse strategies. By and large these strategies have focused on either maintaining or rebuilding bonds with migrant communities and encouraging patriotic sentiments. Policies that are commonly put in place include:

- Allowing dual nationality to members of the diaspora to strengthen attachment to the homeland. This is sometimes extended to second and subsequent generations.
- Programmes to support the maintenance of language and culture in diaspora communities.
- Building networks of influence with the diaspora to advance national interests.
- Offering the diaspora privileged access to business opportunities in the homeland.

5.2 COUNTRIES EMPLOYING REMITTANCE – MAXIMIZATION STRATEGIES

5.2.1. The Experience of the Philippines

Despite 3.7 million of its population having permanently emigrated, the focus of the development strategy of the Philippines in the area of migration has always been on temporary migration, and policies towards overseas residents focus on placing and protecting temporary workers and maximizing remittances.

Faced with growing unemployment as well as severe balance-of-payments problems in the 1970s, and drawn by the economic boom of the oil-producing Arab states, the government of the Republic of the Philippines institutionalized labour migration through the adoption of the Labour Code of the Philippines in 1974. Today, the Philippine Overseas Employment Administration (POEA) regulates and manages the temporary migration process by limiting participation to qualified players, setting minimum standards of recruitment and employment and formulating rules and regulations to manage the process and maintaining a monitoring system that ensures compliance by all players.[16] The latter include the recruitment agencies, the Filipino emigrant workers, so-called Overseas Foreign Workers (OFWs) themselves and the overseas employers. Annual deployment has exceeded one million workers since 2005 and as of December 2007 there were 4.13 million OFWs working abroad, while an estimated 0.9 million were illegally working outside the country. The Middle East remains a major destination with more than one million OFWs working in Saudi Arabia alone. It is noteworthy that OFWs have the right to vote in national elections conditional upon their return within a two year period.

Membership of the Overseas Workers Welfare Administration (OWWA) is mandatory for all OFWs and its services include the repatriation of distressed workers, on-site counselling to members in need and the provision of life and disability insurance, scholarships and loans to its members. The agency also works closely with the Office of the Legal Assistant for Migrant Workers Affairs (OLAMWA) to provide legal services to OFWs who finds themselves in difficulty.

Another body, the Commission on Filipinos Overseas (CFO), promotes and maintains cultural and socio-economic ties with migrant Filipinos who have taken up permanent residence or become citizens of other countries. In this regard, the agency liaises with overseas Filipino organizations to align migrants' initiatives in various developmental areas with the national government's objectives. Cultural activities include overseas tours of Philippine entertainers, psychological counselling services and the establishments of schools in areas with a high concentration of Filipino migrants that promote 'Filipino values' and a sense of identification with the homeland. The Citizenship Retention and Reacquisition Act of 2003 granted the right of retention of citizenship to all Filipinos who had lost their citizenship by reason of their naturalization as citizens of a foreign country.

With almost 10 percent of the country's 90 million population employed overseas, the labour export model has no doubt alleviated the unemployment problem in the Philippines, which in 2008 stood at 7.4 percent. Remittances, mostly from OFWs, have buoyed up the current account and alleviated the balance-of-payment situation. In 2008, US$16.4 billion (10.4 percent of GDP) in remittances were received in the country.

At the microlevel, evidence also shows that remittances have alleviated poverty in the Philippines. In a March 2009 paper, Kelly Bird of the Asian Development Bank (ADB)[17] estimated that remittances had reduced the poverty head count in the Philippines by five percent in 2006 alone. A total of 900 thousand households moved from the low-income bracket to the medium-income bracket, while without remittances a total of 4.3 million people would have been considered poor. However, a major criticism of the Filipino model has been the lack of a clear nexus between remittances and development. Be that as it may, results from a Family Income and Expenditure Survey (the basis of Bird's paper) showed that while lower-income households spent a high proportion of remittances on consumption, higher-income households invested remittances in their children's education and small business enterprises. In the three months from December 2008 to February 2009, for example, 40 percent of remittances had been spent on education while 23 percent had been spent on business activities. There has been a growing trend of entrepreneurship among OFW households and Bird estimated that 55 percent of these households had at least one self-employed entrepreneur in 2006.

5.2.2 The Ecuadorian Experience

The 1990s economic crisis in Ecuador, which peaked in 1999, and the subsequent adoption of dollarization in early 2000, prompted an unprecedented wave of emigration by an increasingly impoverished middle class in search of greener pastures. The destinations of choice were Europe (mainly Spain and to a lesser extent, Italy) and the USA. By 2007 an estimated 2.5

[16] Dovelyn Rannveig Agunias and Neil G. Ruiz (2007). <http://www.migrationpolicy.org/pubs/MigDevInsight_091807.pdf>
[17] Kelly Bird (2009). <http://www.bsp.gov.ph/events/ircr/downloads/papers/BSP_11_bird_paper.pdf>

million Ecuadorians were living abroad, a figure that represents approximately 20 percent of the population[18]. Remittances which had totalled US$200 million (1 percent of GDP) in 1993[19] hit US$3.1 billion by 2006 (7.8 percent of GDP)[20]. According to the Central Bank of Ecuador figures, remittances had become the second most important source of foreign exchange after petroleum exports. Ecuador achieved a current account surplus by 2006 because of remittances, despite the contraction in other traditional export contributions. Compared to foreign direct investment (FDI) and official development assistance (ODA), remittances have proven to be a more reliable and less volatile source of foreign currency for Ecuador.

The distribution of remittances in Ecuador is consistent with the country's migration demographics which have been dominated by the middle class. The low-income quintile which comprises 57 percent of the population received a disproportionately low 26 percent of the remittances in 2006. Poor people find the costs of emigration prohibitive and even when they emigrate they are not likely to earn high incomes owing to their lower standards of education. While there has been a substantial increase in remittances at the macro-level in recent years, a study by Ponce, *et al.*, (2008) shows a less significant impact on long term human development at the household level due to the utilization patterns of remittances[21]. Other studies have however shown notable increases in health and education expenditures, especially for the lower- to middle-income groups.

On average, more than 60 percent of remittance income is spent on consumption in Ecuador, while long-term investments, mainly in construction and small business, account for 22 percent (Gallina, 2007). It was also observed that remittances have boosted rural credit and this has in turn resulted in the creation of various microfinance products. However, with a third of remittances received through informal channels, and as most of the remittances received through normal banking channels are withdrawn almost immediately for daily expenditure, maximizing the full potential of remittances for long-term development has remained elusive in Ecuador. Researchers do point out that perhaps it is too early for the full impact of remittances to be assessed as the process is still in its infancy and households may change their utilization patterns over time.

In order to encourage emigrants to use formal banking channels, mobilize capital for credit creation, and improve data collection on remittances and the country's international credit ratings, the government of Ecuador announced in March 2009, that it would 'open a bank designed to collect and distribute remittances exclusively[22]. In addition, remittance services would be offered 'free of charge' to recipients and credit histories would be maintained for any Ecuadorians living abroad which they could use should they ever return. Previously, the Central Bank of Ecuador had restricted its activities to facilitating the remittance process. The government is also working on a 'virtual consulate' project which provides Ecuadorian emigrants with secure access to a database where they can download legal documents (e.g., title deeds, birth certificates) from authorized centres in various parts of the world. Modelled along the same lines as the Mexican 'Matricula Consular', the access card issued to each emigrant can also be used for both identification and debit/credit card purposes anywhere in the world[23.]

The existence of a vibrant Ecuadorian civic society abroad has helped to promote emigrant rights in destination countries and co-development efforts between destination countries, international non-profit organizations and local organizations. As the

18 Andrea Gallina (2007). <http://www.ruc.dk/upload/application/pdf/f51d6748/Gallina_3_2007%20M&D%20in%20Ecuador.pdf>

19 Santiago Izquierdo (2004). <http://notes2.czso.cz/conference2004/notes_czso_cz/sif/conference2004_nsf/i/1766a8f2b8987a42c1256eda00436d3c%5C$file%5Csantiago%20izquierdo.pdf>

20 <http://web.stratfor.com/images/charts/Global_remittance_2006_800.jpg>

21 Juan Ponce, Iliana Olivié & Mercedes Onofa, 2008. <http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/cooperation+developpment/00032>

22 Stratfor Global Intelligence: <http://www.stratfor.com/analysis/20090311_ecuador_using_remittances_generate_credit>

23 Andrea Gallina (2007). <http://www.ruc.dk/upload/application/pdf/f51d6748/Gallina_3_2007%20M&D%20in%20Ecuador.pdf>

major destination country, Spain has made remarkable efforts to promote co-development programmes with Ecuador. For example, the Casa del Migrante project is supported by the city of Madrid in Spain and is based in the Ecuadorian capital city of Quito. Its objectives include: 1) entrepreneurial training of families left behind by emigrants and providing education on how to best utilize remittances to run businesses; 2) legal advice; 3) capacity building for young leaders; and 4) integration of families in project activities.

Furthermore, in 2006 the government created an Office of Migration to oversee migration policy and promised to enhance the political representation of emigrants by setting aside three seats in Congress for this purpose. Legislation was passed in 2005 to allow emigrants to participate in presidential elections, which they have done since the 2006 elections.[24] Compared to the Philippines, Ecuador's migration management process is still in its infancy, but there is growing recognition of the importance of harnessing the diaspora in the national development process.

5.2.3 The Mexican Experience

Mexico is the second-largest recipient of remittances in the world after India and its diaspora is largely concentrated in one country, the USA. For many decades its attitude towards the diaspora was ambivalent and formal diaspora programmes only began to be put in place in 1990. Outreach to the diaspora has since been strengthened. In 2001 the government established the Presidential Office for Mexicans Abroad that was designed to strengthen ties between Mexican emigrants and their communities of origin. Legislative changes have since been made to allow Mexicans living abroad to maintain dual nationality, albeit without voting rights. The government strategy is two-fold: to expand the opportunities for Mexicans abroad and to facilitate remittances.

The Matricula Consular referred to above had been issued by the Mexican government to its citizens living outside Mexico as an identity document. The card has been issued with enhanced security features and an improved tracking system since March 2002. The 2004 acceptance of the Matricula Consular as a valid ID by the USA has enabled illegal Mexican immigrants to open banking accounts and get drivers' licenses in various cities and US states. This has in turn facilitated the intermediation of remittances through the formal banking system.

Furthermore, Mexico has fostered engagement with the diaspora through 'home town associations'. This has been made possible because residents of the same town or village tend to migrate to the same locality in the USA. Home Town Associations have served the dual purpose of giving social support to migrants and economic support to their town or village of origin. According to Orozco (2001), the Mexican Home Town Associations send home various kinds of support that includes charitable contributions, infrastructure improvements, funding for human development projects and capital investment in income-generating activities.

5.3 COUNTRIES EMPLOYING BUSINESS-ORIENTED STRATEGIES

5.3.1 The Experience of Taiwan

Taiwan pursues a 'brain trust' model that focuses on attracting human capital from the diaspora. Its policy is based on the benefits of technology transfer, that is those that can be derived from maintaining close ties with a highly skilled group of emigrants. The approach is a consequence of its history. The country suffered a significant brain drain in the second half of the 20th century. Luo and Wang (2002) report that over 90,000 Taiwanese left to study abroad and in subsequent years those returning were less than 10 percent of those who departed.

The Taiwanese government strategy towards its diaspora has focused less on attracting investment and more on returning migrants as a source of

[24] Brad Jockisch (2007). <http://www.migrationinformation.org/USfocus/display.cfm?ID=575>

human capital and technology transfer to support the development of home-grown, knowledge-based, industries. Mechanisms that have been employed to achieve this include:

- Establishing a database that tracks skilled migrants and matches them to job opportunities in Taiwan;
- Coordinating efforts to attract emigrants to return home by running job placement programmes;
- Networking activities that include inviting scientists, professionals and highly skilled technicians back to Taiwan to teach and network with counterparts;
- Constructing Western-style housing and developing industrial clusters and upgrading schools for the children of highly-qualified returnees; and
- Providing excellent working conditions for skilled returnees.

5.3.2 The Experience of China

China endeavours to attract direct investment and open-trade opportunities using its overseas Chinese communities. Overseas Chinese communities, estimated at over 35 million, are found in virtually every country in the world (MPI, 2004). The government has made efforts to maintain a sense of identity among overseas communities of emigrants and their descendants.

Hugo (2003: 25) reports that it is estimated that about half of the US$48 billion in FDI that flowed into China in the course of 2002 originated from the Chinese Diaspora. The government has encouraged diaspora engagement in FDI and trade, as well as philanthropic contributions and other activities, through preferential policies and stimulating a sense of belonging to China.

The volume of remittances is small in relation to the size of the diaspora showing that person-to-person ties from diaspora to mainland Chinese are not the leading factor in development. The diaspora's relation with mainland China follows a business model, with investment as the main vehicle.

5.3.3 The Experience of India

India has a multi-pronged diaspora policy aimed at direct investment promotion, portfolio investment, technology transfer, market opening and out-sourcing opportunities.

When India conducted nuclear tests in 1998, it was subjected to economic sanctions by a number of countries. In order to counter the impact of these sanctions, the Indian government launched a large sale of 5-year bonds named 'Resurgent India Bonds' that were guaranteed by the State Bank of India and available only to non-resident Indians. While the government counted on patriotism amongst the Indian Diaspora, significant benefits were added to make the bond sale attractive such as an interest rate that was two percent higher in dollar terms than that prevailing on the US bond market, the option to redeem in either US dollars or German marks and exemption from Indian taxes. According to MPI (2004) this bond sale was a major success, raising £2.3 billion in just over two weeks. Two years later in 2000 another bond, the 'India Millennium Deposits' was issued and over £3 billion was raised.

Despite the fact that India is the world's largest recipient of remittances, the main focus of its policy towards the diaspora has been on its potential contribution to the country's development through direct and portfolio investment. In order to capitalize on its large diaspora, Indian information technology (IT) entrepreneurs and professionals have set up a number of business networks, notably the IndUS Entrepreneur which has grown to 25 chapters and the Silicon Valley Indian Professional Association (SIPA) of Santa Clara, California which has over 1,800 members. These networks match experienced entrepreneurs and start-up managers in a mentoring relationship. Furthermore, they back up promising enterprises in both the host country (e.g., USA) and the home country with venture capital. Kapur (2001) observes that the network has produced far-reaching benefits:

> *'It has boosted India's confidence as well as the confidence of overseas investors about India's potential despite India's numerous problems. Companies like Yahoo, Hewlett Packard and General Electric have opened R & D centres in India largely because of the*

confidence engendered by the presence of many Indians working in their US operations. This points to the cognitive effects arising from the projection of a coherent, appealing and progressive identity on the part of the diaspora which signals an image of prosperity and progress to potential investors and consumers.'

5.4 THE FOCUS OF BILATERAL AND MULTILATERAL ORGANIZATIONS

Traditionally, the focus of international organizations has been on understanding how countries might maximize and derive greater benefit from remittance flows and how these could be directed to more developmental uses. The means for achieving this include putting in place programmes that help to lower transaction costs, improve data collection, extend the availability of financial services to the poor and rural areas, encourage collective remittances to support community development and employment generation, and sponsoring research on the patterns and uses of remittances (MPI, 2004). Key players in the above areas are the World Bank, the International Monetry Fund (IMF), United Nations Capital Development Fund (UNCDF) and the Inter-American Development Bank.

The World Bank, for example, has focused on four priorities for research on remittances (Ratha, 2004):

- The financial infrastructure supporting remittance flows, in particular the use of postal savings bank networks;
- The development impact of remittances, including their effect on poverty, their role in building human capital and the connection to the phenomenon of brain drain;
- Collection and organization of data in order to build a matrix of data showing the source and destination of remittance flows; and
- A website to disseminate information on remittances.

International agencies have also developed 'Human capital' programmes which sought to address the adverse effect of the brain drain by encouraging emigrants to return to their home countries. The International Organization for Migration (IOM) programmes such as 'Return of Qualified African Nationals' and 'Return of Qualified Afghans' are examples of such human capital return programmes. These programmes have often not lived up to their potential. Kapur (2001: 32) observes that the African programme only reintegrated slightly more than 100 African nationals per year between 1983 and 1999.

IOMs Migration for Development in Africa (MIDA) programme on the other hand represents a new approach. Started in 2001 it was designed to attract skilled emigrants on a temporary or 'virtual' basis after realizing that skilled emigrants would not easily abandon their permanent residence in advanced economies where their quality of life was significantly higher than that of their home countries. The programme endeavours to achieve its objectives by ensuring that the rights and status acquired by migrants in host countries are preserved by guaranteeing them freedom of movement to and from their countries of origin (Box 3).

Some successes have been registered in terms of MIDA programmes in a number of African countries. In November 2001 the IOM started the MIDA Great Lakes programme with technical and financial assistance from Belgium, targeting Burundi, the DRC and Rwanda. Through the programme, IOM assists professionals of these countries that reside in Belgium to return to their home countries to offer short-term technical assistance in specific fields. The programme is meant to rectify manpower imbalances in these areas and stem the brain drain in the long run.

In 2005 the IOM initiated the MIDA Ghana Health Project in cooperation with the Ministry of Health of Ghana and the Netherlands Embassy in Accra as a means of contributing to the development of the health sector. The project had two components: (1) Ghanaian migrants living and working in the Netherlands and other EU countries were afforded opportunities to transfer knowledge, skills and experience through temporary assignments in hospitals in Ghana, and (2) health workers from Ghana were given an opportunity to do specialized training in health institutions in the Netherlands.

Box 3: IOMs MIDA Programme

Within the African Countries:

In collaboration with government and private sector employment institutions in participating countries, IOM will:

- *Identify priority skill needs and investment possibilities;*
- *Compile assignments, job vacancies and investment opportunities;*
- *Build synergies between government and private sector institutions as well as donor agencies engaged in capacity building programmes in Africa; and*
- *Request African countries to include MIDA in their National Indicative Program (NIP) or Regional Indicative Program (RIP) in accordance to the Cotonou Agreement.*

Within host countries:

In collaboration and cooperation with governments, educational institutions, private sector employers and African associations in the host countries, IOM will:

- *Identify available skills, financial and other resources of Africans in the diaspora for transfer; and*
- *Identify Africans in the diaspora with the necessary financial resources to invest in Africa.*

Within IOM:

IOM will:

- *Match the identified priority skill needs with identified skills, financial and other resources of Africans in the diaspora;*
- *Establish and maintain an updated data bank;*
- *Recruit and train personnel;*
- *Enhance the utilization of Africans in the diaspora; and*
- *Provide assistance, where required.*

Transfer modalities:

The transfer of skills, financial and other resources of Africans in the diaspora will be carried out through:

- *Virtual/tele-work or satellite based information technology systems;*
- *Sequenced/repeated visits;*
- *Investment; and*
- *Permanent relocation.*

Source: IOM: <www.iom.int/MIDA/> accessed on 2009/08/015

Another multilateral programme that has shown some positive results is UNDPs 'Transfer of Knowledge Through Expatriate Nationals' (TOKTEN) programme that provides opportunities for qualified diaspora professionals to offer their services to their countries of origin through volunteer short-term consultancies in public or private institutions, including universities and NGOs. These professionals do not receive payment for their services but their accommodation, travel and insurance are paid for and thus the TOKTEN programme limits participation to diaspora members who are able to forgo their professional earnings for periods of volunteer consultancy. Notwithstanding these limitations, the MPI (2004: 32) has noted that in its first twenty years of existence from 1977–1997, the TOKTEN programme placed about 5,000 volunteers in 49 developing countries. While the figures may look small, they are significant in that these are voluntary returnees who in most cases are highly skilled.

A number of notes of caution are nevertheless in order. Firstly, the financial aspects of such returnee programmes should be closely scrutinized in order to ensure that the unit costs are not excessive, and there is a particular need to guard against the unintentional creation of a two-tier system of public sector workers, with those who benefit from such returnee incentives package enjoying significantly better living and working conditions than those who have remained behind. This in turn leads to the need, especially if the funds for such programmes are fungible, to ask the question whether such financial resources might not be better spent on improving the wages of those workers who are already in country. This can only be done if in-depth and sector-specific cost-benefit analyses are undertaken. Thirdly, the focus should be, wherever possible, on ensuring that skilled diaspora returnees who benefit from such programmes, be these either those permanently resettled or on temporary secondments, are used in order to help revive the country's training institutions, such as medical schools or teachers training colleges. This modality will not only help them to transmit the particular skills sets which as members of the diaspora they have acquired while outside the country, but also contribute towards the rebuilding of those institutions that will have to continue to produce the necessary human capital for the country in the longer term.

Section 6

Some Variables and their Policy Implications

6.1 COLLECTIVE TRUST IN GOVERNANCE AND MACROECONOMIC MANAGEMENT

In the case of Zimbabwe, one necessary pre-condition for sustained economic recovery is popular trust in government and its regulatory institutions. Efforts to maximize remittances have to first overcome a lack of trust in past government-sponsored investment schemes and a deeply entrenched reluctance to use formal money transfer channels.

Furthermore, a history of hostility between Government and diaspora groups exists because the Zimbabwe Diaspora originated as a refugee flow. The national political environment is still the major migration push factor and the most sought after legal permit in host countries is that of refugee status[25]. As a consequence, the majority of Zimbabwean Diaspora groupings are human rights and humanitarian organizations which have had a history of turbulent relations with the Harare government.

Even following the launch of the Inclusive Government in February 2009, the diaspora remains largely cautious regarding progress in Zimbabwe. This was reinforced when some teachers and other public servants returned following the inception of the Inclusive Government, only to discover that the process of re-integration into the public service was a challenge.

Notwithstanding the widespread lack of trust in government amongst the diaspora which is borne out by numerous surveys, the Zimbabwe Diaspora will continue to send remittances to families, but this is likely to continue to be done through informal channels. However, it must be recognized that an informal remittance market could in the long run undermine inclusive governance and democratic state accountability. Informal remittance systems also contribute to the informalization of the economy. Informal economic transactions, while undoubtedly key in sustaining livelihoods, undermine longer-term development in that they also reduce a government's fiscal space since these represent undeclared income that cannot be taxed, as well as undermining the reliability of national accounts figures. Bracking (2003: 642) has put it aptly:

> *'If the legitimacy of the social and governance contract is so undermined that citizens avoid the institutions they formally author, the question arises of how 'public (economic) policy' in its wider, democratically authored sense, can operate.'*

Furthermore, remittances by the Zimbabwean Diaspora to support households are substituting for public social provisioning. Remittances being private transactions should not act as a substitute for public service delivery and for the government taking on its responsibilities in these areas.

6.2 THE PROSPECTS FOR RETURN MIGRATION

Recovery efforts that emphasize return migration may focus on remittances as being part of the financial capital with which to start businesses. IOM (2003) has observed that one of the enduring features of any diaspora is the wish to return to the home country, though its incidence varies greatly. Survey studies indicate that should there be political and economic stability, at least two-thirds of Zimbabwean migrants aspire to return home and participate in development (Bloch, 2005; Chetsanga & Muchenje, 2003; Makina, 2007). It should be noted that it is an aspiration whose realization might be also dependent upon other variables. Using a logistic regression

[25] Many migrants who have not been accorded refugee status have either stayed undocumented or acquired student permits. A survey in South Africa found that nearly 60 percent of over 4,000 Zimbabweans surveyed wanted assistance to obtain refugee status. However, a minority have been successful in regularizing their legal status on the basis of possessing scarce skills.

model[26] on a data set of 4,654 migrants surveyed in Johannesburg, South Africa in 2007 the characteristics of aspiring returnees are found to be as follows:

Legal status: Undocumented migrants (those illegal in the country) are found to be more likely to return than those who are legally in South Africa. Legal status is however found not to be a significant predictor of the return migration decision.

Reason for migrating: Migrants who left for economic and political reasons are more likely to return than those that left for other reasons (e.g., family reunification and further studies). On the other hand, migrants who left for political reasons in combination with other reasons like family re-unification and further studies are more unlikely to return. The original reason for migrating is a significant predictor of the return migration decision.

Gender: Male migrants are more likely to return than female migrants. However, gender is found not to be a significant predictor of the return migration decision.

Age: While age is found not to be a significant predictor of the return migration decision, migrants over 18 years of age are more likely to return than those under the age of 18.

Marital status: Married and widowed migrants are more likely to return than single migrants. The divorced and separated migrants are more unlikely to return than single migrants. Marital status is, however, not a significant predictor of the return migration decision.

Number of dependents in Zimbabwe: The number of dependents in Zimbabwe is found to be a significant predictor of the return migration decision. Migrants with one or more dependents left at home are more than twice likely to return than those without dependents in Zimbabwe.

Level of education: Migrants with university degrees, professional qualifications (such as teaching, nursing and artisans) and with post-secondary education (diplomas and certificates) are more likely to return than those with primary education and this observation is significant. However, migrants with secondary education are less likely to return as compared with those with university degrees. Overall, the level of education a migrant possesses is a strong predictor of the return migration decision.

Economic activity in host country: In comparison with migrants employed as domestic workers, migrants that are more unlikely to return are security workers, hairdressers, shop assistants, hawkers, hospitality workers and other miscellaneous professions. The observation is significant for the hairdressing and hospitality professions. On the other hand, migrants working as teachers, health professional, artisans and drivers are more likely to return.

Income: Migrants earning more than R1,000 per month are more unlikely to return than those earning R1,000 or less. Income level is a significant predictor of the return migration decision. Considering that migrants earning higher income levels are likely to be those with higher levels of education, income differentials between the host country and the home country would play the decisive role in the return migration decision in the final analysis.

Length of stay: Migrants who arrived in South Africa from the year 2000 onwards are more likely to return than those who relocated to the country before 2000. Length of stay is a significant predictor of the return migration decision.

The policy implication of the above empirical results is that the chances of attracting back skills are high if political and economic stability is achieved. Strong ties exist between the home country and migrants in the region. Skilled migrants are more likely to return than unskilled migrants who might not have

[26] A logistic regression computes the odds of returning using the odds ratio. If the odds ratio is greater than one, then the event, returning, is more likely to happen than not. If the odds ratio is less than one then return migration is less likely to happen (Makina, 2010).

better employment prospects in the home country. The promising observation is that those who left after 2000 are more likely to return than those that left before the crisis. However, militating against return migration will be the widening wage differentials in the home country and host countries. An important finding is that the higher the income level the migrant earns in the receiving country, the less likely that migrant will return. Therefore, while skilled migrants will have aspirations of returning to contribute to the development of the country, they will be constrained by low wage levels in Zimbabwe[27].

Table 19, based on surveys in the UK and South Africa, illustrates the relative importance of those variables that constrain return migration.

It is not surprising that economic and political considerations loom large in the list of constraints or conditions for return as these are the main reasons cited for originally migrating (Figure 5). Security is rated third, followed by better health care. Interestingly, better employment prospects rank fifth, followed by better education for children and improved infrastructure.

While there is no empirical data on levels of return migration since the formation of the Government of National Unity, anecdotal evidence indicates that there has in fact been continued out-migration from Zimbabwe. This has been in part assisted by the relaxation of visa requirements for entering South Africa, the main destination. Migration to countries such as the UK, the USA, Canada, Australia, New Zealand, etc., is expected to slow down and is increasingly limited to highly skilled emigrants as these countries have tightened their migration laws, especially in the context of the global recession. At the same time, the cost of migration to these countries will be prohibitive compared to that of migrating to neighbouring countries.

Notwithstanding the current prospects of continued outward migration, the success of political and economic reforms currently being pursued by the Government of National Unity may result in a levelling off of migration in the medium term. This has policy implications regarding reliance on remittances as a development tool. Considering that Zimbabwe at its peak had annual exports amounting to US$3 billion, the level of remittances currently estimated at over US$1.4 billion unofficially is very unlikely to replace exports as a major source of international flows in the long run. Neither will remittances be a substitute for aid flows. The contribution of remittances to economic recovery will be secondary to the contribution of aid flows and exports, but may continue to play the key role they did in the past, namely as a substitute for public-social provisioning and protection at household level.

Table 19: Conditions for return to Zimbabwe by country of residence (%)

Condition for return	South Africa	UK	All
Improved political situation	72%	87%	80%
Improved economic situation	76%	83%	80%
Improved security	48%	72%	60%
Better health care	48%	64%	57%
Better employment prospects	47%	53%	50%
Better education for children	42%	51%	47%
Improved infrastructure	36%	43%	40%
After saving enough money	27%	39%	33%
To retire	28%	36%	32%
Offer employment	28%	31%	30%
Better education for myself in Zimbabwe	30%	25%	28%
Other	3%	3%	3%
None	6%	1%	3%

Source: Bloch, 2005

[27] Since the introduction of dollarization in February 2009, the average monthly wage in the civil service has risen from US$100 to US$250 (about R2,000). This level is equivalent to the average earned by the lowest paid member of the South African civil service.

Section 7

An Overview of Current Government Efforts to Engage with the Diaspora

7.1 PERSPECTIVES FROM SURVEYS

The willingness of the Zimbabwean Diaspora to participate in development activities in their homeland has already been reported in Table 14. When interviewed they also cite four critical changes that would help them to contribute effectively, viz.: political changes (60 percent), economic opportunities (50 percent), voting rights (49 percent) and a better exchange rate (47 percent). It is noteworthy that the Government-sponsored Scientific and Industrial Research and Development Centre (SIRDC) report made recommendations for changes to these four areas, while the National Human Resources Survey (Zimbabwe, 2006), also sponsored by Government, further recommended the adoption of policies that would foster increased remittance flows through formal channels.

7.2 EFFORTS TO LEVERAGE REMITTANCES

Cognisant of the potential contribution of the diaspora to national development efforts, the government of Zimbabwe has over the years undertaken a number of initiatives to engage the diaspora. In early 2004 the Reserve Bank of Zimbabwe (RBZ) set up a team led by a prominent business person, Eric Bloch, to engage the diaspora to invest in the country. Following these visits which covered the USA, the UK and South Africa, the Reserve Bank established a subsidiary, *Homelink* in April 2004, a mechanism meant to encourage migrants to remit funds through formal channels in order to build or acquire homes. To facilitate the participation of the diaspora in local development initiatives, Homelink introduced three products, namely, a Money Transfer Service, a Foreign Currency Bond and the Housing Development Scheme for Diasporans[28]. The prospective buyer would pay for the property in foreign currency while Homelink would pay on behalf of the buyer in local currency to real estate agencies or building societies. While the scheme initially registered some success, it quickly faced constraints, key amongst them being shortages of building materials and mistrust by the diaspora[29].

The Foreign Currency Bond was to be an investment vehicle for the diaspora earning a return of 12 percent, a rate that was significantly higher than average international rates so as to attract foreign-currency deposits from Zimbabweans abroad. Little progress has been reported since the proposal to launch this product. Homelink attributed the poor response to this product to high perceived country risk and lack of trust between authorities and the diaspora. Investors were not certain whether the RBZ would be able to repay the capital plus interest on maturity.

To facilitate transfer of remittances through official channels, the Reserve Bank of Zimbabwe authorized the operation of Money Transfer Agencies (MTAs) in 2004. Following accusations that they were involved in parallel market activities, the Reserve Bank then suspended their operations in 2005, a decision that was later reversed. As part of the enhanced Money Transfer Agencies framework, the Reserve Bank then licensed 222 centres countrywide on 1 September 2008 to

[28] Homelink immediately became both a referee and player in the remittance market. It was tasked with the supervision of other MTAs and thus gave itself an unfair advantage over others. It determined who entered the remittance market and who should be de-registered.

[29] Homelink claims that they acquired properties in almost every city and town in Zimbabwe. A total of 613 properties were acquired across the country, 145 housing units of the 613 were almost 80 percent complete according to sources at Homelink.

operate as bureaux de change. According to the RBZ:

> *'These countrywide and widely dispersed Foreign Currency Purchasing Centres/ Bureaux de Change have been licensed and registered to commence operations on the 1st of September 2008 with the mandate of acting as conduits for the remittance of diaspora funds as well as centres for purchasing foreign currency from walk-in clients with access to free funds and visitors from abroad. This enhanced MTA framework is designed to complement the country's foreign currency generation capacity, as well as ensure a greater level of convenience to the Zimbabwean populace, vis-à-vis, transacting in foreign exchange in a safe, sound and reliable environment.'*[30]

Generally, the performance of these MTAs has not been stellar as remittances continued to be channelled through informal systems. The official statistics show remittances channelled through MTAs constituting an insignificant percentage of total foreign-currency receipts (Makina, 2009). It is interesting to compare the Reserve Bank remittance figure of US$23.9 million for 2007 with IFAD's estimate of US$361 million. The data from the Reserve Bank of Zimbabwe is a gross underestimate of remittance inflows as it only captures remittances coming through the official channels.

The poor performance of MTAs was attributed to the RBZ's constantly shifting policies, particularly with respect to the payment of remittances in local currency or foreign currency. When they were established in 2004, MTAs were allowed to pay recipients in foreign currency. The RBZ, however, changed this policy in 2005 and recipients were paid local currency using the foreign-exchange auction ruling rate that was lower than the parallel market exchange rate. As a result MTAs experienced a decline in remittances and consequently operations became unprofitable. The difference between the official exchange rate and the parallel exchange rates forced Zimbabweans abroad to seek alternative means to send money to their families or other beneficiaries. The frequent changes in policy resulted in most MTAs' volume of business dropping to unsustainable levels and leading to the de-registering of many of them[31]. In the absence of comprehensive reforms, piece-meal approaches such as those implemented by the Reserve Bank have had little impact in terms of increasing the volume of remittances through official intermediaries.

7.3 INTERNATIONAL ORGANIZATION FOR MIGRATION (IOM) DIASPORA ENGAGEMENT INITIATIVES

Since 2007, the Government and the IOM have co-hosted a series of migration and development workshops with the aim of formulating a national migration and development strategy. These have culminated in the drafting of a migration policy document that is, as of this writing, awaiting Cabinet approval (Box 4).

In April 2008 IOM sponsored the establishment of a Migration and Development Unit in the Ministry of Economic Planning and Investment Promotion whose mandate is to coordinate migration and diaspora developmental issues. The success of this outfit will depend on its ability to influence other lines ministries, particularly those with jurisdiction over certain aspects of migration and to obtain the necessary resources to produce policy-relevant analysis of the highest quality in order to support decision-making.

Other notable initiatives that have recently been set in motion include the following:

- Direct engagement with diaspora organizations that are apolitical;
- The sequenced short-term returns programme in respect of medical professionals;
- The professional return programme;

[30] RBZ, Monetary Policy Statement: Consolidating Economic Productivity and Inflation Stabilization, January 2008.

[31] There were 38 MTAs in 2004 and the number had declined to 8 by the end of 2008. In 2007 the recipients were again given the option to receive their money in local currency or foreign currency.

Box 4: Main Elements of the Zimbabwe Migration and Development Strategy

Priority 1: Migration Policy, Legal and Institutional Framework

Strategic Objectives:

- *To provide a conducive policy, legal and institutional framework for the effective management of migration;*
- *To mainstream migration in Zimbabwe's national and sectoral development plans.*

Priority 2: Skills Development and Retention

Strategic Objective:

- *To mitigate the brain drain and strengthen skills retention.*

Priority 3: Labour Migration

Strategic Objective:

- *To formalize labour migration for national socio-economic development.*

Priority 4: Diaspora Participation in Development

Strategic Objective:

- *To initiate and increase the participation of the diaspora in the development process.*

Priority 5: Economic and Community Development for Migration

Strategic Objective:

- *To provide economic opportunities in major migrant sending areas.*

Priority 6: Safe Migration

Strategic Objectives:

- *To facilitate the safe and legal migration of Zimbabweans;*
- *To promote and protect the human rights and the well-being of migrants.*

Priority 7: Cross-border Management

Strategic Objective:

- *To strengthen and facilitate the smooth movement of traffic across borders.*

Source: Report of the Migration Legislation Review and 2008–2010 National Migration and Development Strategy Planning Workshop, Kariba, November 29–30, 2007

- The Beitbridge Border Initiative for processing temporary work permits for farm workers in South Africa;
- The development of a Zimbabwe migration profile in liaison with the Central Statistical Office (CSO);
- The setting up of a human capital website in liaison with the Ministry of Higher Education[32];
- The skills gap study;
- The health workers survey; and
- The remittance regulatory framework study[33].

Given the extensive cross-border movements between the two countries, the Zimbabwean and South African governments agreed to set up a Labour Migration Centre in Beitbridge. This Labour Centre, which will facilitate the registration and recruitment of farm workers in the Limpopo Province of South Africa, was officially opened in December 2009. This approach allows for the regularization of recruitment of labour from Zimbabwe into the Northern Province of South Africa. Such an approach is not entirely new as it is based on the earlier Witwatersrand Native

[32] See <http://www.zimbabwehumancapital.org.zw>

[33] See LEDRIZ (2009).

Labour Association (WENELA) programme which was abolished when Zimbabwe attained independence in 1980. This initiative was driven by the inter-ministerial taskforce, the IOM and the ILO.[34] Plans are underway to introduce a similar arrangement with the Government of Botswana.

The implementation of these sorts of initiatives has been constrained by a number of problems that include, inter alia, policy inconsistencies, institutional overlap, capacity issues and politics. Migration issues are currently being handled in multiple ministries without a coherent overarching migration policy framework. In the absence of an approved national policy, each ministry will inevitably apply discretionary migration policy measures without taking into account what is happening in other ministries. The delay by Cabinet in terms of the adoption of the IOM-sponsored migration policy document has served to perpetuate these policy inconsistencies, which have flourished with the continued existence of multiple enabling pieces of legislation.

Furthermore, there is considerable institutional overlap in migration and diaspora issues without an overall coordinating authority, a role that should logically be played by the aforementioned Migration and Development Unit. Such lack of clarity is compounded by the prevailing political discourse, which has resulted in a conflictual relationship between many diaspora groups and the country's Embassies and Consulates which are supposed to be the nodes for engaging the diaspora.

[34] The Inter-Ministerial Taskforce on Migration includes the following ministries and government departments: Labour and Social Services; Foreign Affairs; Regional Integration; Economic Planning and Investment Promotion; Immigration; Registrar General's Office and the Central Computing Services.

Section 8

Policy Options for Enhancing Diaspora Contribution to Recovery and Development

The peculiar circumstances of Zimbabwe are such that a multi-pronged approach is required in order to tap the development potential of the diaspora. Six broad approaches are proposed, viz.: (1) confidence building measures; (2) adoption and implementation of a Migration and Development Policy Framework; (3) measures to leverage remittance flows for development; (4) measures to attract back skills; (5) measures for engaging with the diaspora; and (6) engagement with the bilateral and multilateral international organizations.

8.1 CONFIDENCE BUILDING MEASURES

Amongst the pre-requisites for building confidence and trust in the country are the application of internationally accepted democratic reforms, and stabilization and recovery of the macroeconomic environment. Once these are in place, conditions become conducive for investment, aid flows and effective participation in the economy by the diaspora. Survey data cites improvement of the governance situation, improved economic and employment prospects, and improved infrastructure, as pre-requisites for diaspora participation in national development activities.

Furthermore, Zimbabwean migrants do not currently enjoy political (voting) rights by virtue of not being in the country. Restoration of these rights would go a long way towards fostering attachment to the country and a desire to participate in its development. Also, under the current laws of Zimbabwe, an emigrant who acquires citizenship of another country, or alternatively who stays outside the country for seven years consecutively, loses their Zimbabwean citizenship. In order to effectively tap the developmental potential of the diaspora, these laws need to be amended to allow for dual citizenship so that the attachment of the diaspora to the homeland becomes a permanent one. As noted above, a cue could be taken from the Filipino experience whereby a law enacted in 2003 allowed for dual citizenship and enables nationals who had lost their Filipino citizenship (because they had acquired citizenship of other countries) to have their citizenship restored.

8.2 MIGRATION AND DEVELOPMENT POLICY FRAMEWORK

The Government should adopt the Migration and Development Policy Framework agreed to by all stakeholders. Furthermore, the necessary legal and institutional framework for facilitating and coordinating migration and diaspora issues must be put in place. The existing Migration and Development Unit in the Ministry of Economic Planning and Investment Promotion should be appropriately capacitated and located in such a way that it can effectively coordinate the activities of other government ministries and departments with a stake in migration and diaspora issues.

8.3 MEASURES TO LEVERAGE REMITTANCE FLOWS FOR DEVELOPMENT

8.3.1 Addressing Data Issues

For remittances to be integral to policy planning, the recording system needs to be improved. In this regard the government should request assistance from international bodies with expertise in this area, such as the International Organization for Migration (IOM), the International Monetary Fund (IMF) and the World Bank to review and improve the quality of data and methodologies used to estimate remittances. In order to assess the level of remittances flowing into the country, a national household survey could be carried out every year based on a small but representative sample. An estimate so determined could then be compared with flows captured through Balance-of -Payments (BOP) data and the information would feed into policies aimed at directing remittance flows through the formal system.

Additionally, more research to inform public policies and donor activities should be carried out into the characteristics, uses and impacts of remittances. The recommended annual household survey for estimating the level of remittances flowing into the country could be expanded and structured to provide information that allows analysis of, among others, the inequality impacts of remittances, the characteristics of households receiving them and impacts of remittances on labour supply, savings, education, investment in income-generating activities, etc.

8.3.2 Channelling Remittances Through the Formal Financial System

Remittance flows tend to go through unofficial channels because formal services are often unavailable in remote areas, or because remitters send money through trusted family and friends since they do not trust the banking system. Having emerged from a prolonged bout of hyperinflation and a raft of restrictions which constrained access to their funds, public confidence in the banking system in Zimbabwe is low and hence it will be imperative to rebuild this trust in order to bring remittances into the formal financial system.

It is recommended that the best way to serve the interests of migrants is to improve the banking system rather than to clamp down on the informal system without creating viable alternatives. Measures should be put in place to directly strengthen the financial sector, and bilateral and multilateral organizations should be engaged to provide the necessary technical assistance. The ultimate objective and preferred solution will be to have more outlets offering competitive remittance transfer and banking services. Microfinance institutions with the capacity to handle remittances should be encouraged to take on this extra service. Many clients of microfinance institutions probably receive remittances, but are reluctant to deposit funds in banks because of perceptions of fiduciary risk. Improving public confidence in the banking system can be achieved by putting in place a credible monetary regime underpinned by sound supervision (Makina, 2009). And in the event that national monetary authorities eventually opt to reintroduce the national currency, a flexible exchange-rate policy will be a key feature in helping to build public trust and confidence in the financial system.

A review of successful policy initiatives around the world indicates that the most effective way of bringing remittances into formal banking channels is to make the latter more accessible, cost effective, timely and safe for both senders and receivers. In addition to strengthening financial infrastructure, specific programmes might be developed to link remittances to Small and Medium Enterprise (SME) development and microfinance.

8.3.3 Diaspora/Remittance Bonds

Once confidence and trust is restored in the way the state does business, the government might then consider issuing bonds in foreign currency for its nationals in the diaspora at a competitive interest rate and thus create a more attractive instrument for channelling remittances. In addition, once such public confidence is restored, private financial institutions would also be in a position to introduce similar financial instruments for the diaspora.

Defined as ‘bonds issued by a country to its diaspora to tap into their assets in the adopted developed countries’ (Ketkar, 2006), diaspora bonds have historically been crucial for raising development finance even during times of crisis. This has been particularly true in the case of Israel and India. Both countries are widely quoted as having successfully harnessed external finances through the issue of diaspora bonds. Israel has had yearly bond issues since 1951 and had raised US$25 billion by the end of 2007, while India has had three separate bond issues since 1991 and had raised US$11.7 billion by the third issue in 2000.

Minimal preconditions required for a successful bond issue include: a sizable first generation diaspora, good governance, political stability, ability to meet external financial obligations and the presence of a stable banking system. Under conditions of political and economic stability, Zimbabwe would seem to fit the bill. As noted above, there are still very strong links between the Zimbabwean Diaspora and the motherland, and in addition there is a strong desire for a lot of immigrants to go back to Zimbabwe should the political and economic situation improve.

The issuance of such bonds should be the responsibility of the Ministry of Finance, which would be tasked with setting out the terms and conditions of such bonds. However, if there are residual credibility issues arising from past fiscal and monetary indiscipline, the option of identifying a trusted guarantor outside Zimbabwe should also be explored.

8.3.4 Promoting the Formation of Home Town Associations

The Beitbridge Border Initiative for processing temporary work permits for farm workers in South Africa referred to earlier, whereby workers are recruited from targeted areas of Masvingo and Matabeleland South, presents opportunities for the formation of Home Town Associations that can channel migrant savings for development in home areas. The IOM, in consultation with Government, might consider sponsoring and building the capacity of such bodies.

8.4 MEASURES TO ATTRACT BACK SKILLS

Measures for facilitating and encouraging the return of skills entails removing the constraints to such movement, which as surveys have noted requires improvements in the country's political and economic governance. The return of migrants should be seen as a development strategy in its own right, because returnees would bring home financial, human and social capital.

One potential downside is that if there is a large scale inflow of the diaspora, the flow of remittances might be significantly reduced, though under conditions of a resumption of aid and access to balance-of-payments support from the International Financial Institutions (IFIs), these would partially compensate for lost remittances. It must also be borne in mind that there might also be short-term negative impacts on households, especially for those households whose livelihoods had become heavily dependent on remittance income in the absence of functioning social welfare provision. In the medium- to long-term, however, this shortfall would be made up through the income-generating activities of returnees and their contributions to household incomes.

The return migration of skilled manpower could be encouraged with additional incentives. Amongst tried and tested incentives that have been applied in other countries successfully and which Zimbabwe might consider introducing are:

- Duty-free custom privileges on entry;
- Offering secure leasehold land to skilled farmers with the option of outright or eventual purchase;
- Facilitation of material costs of repatriation and re-integration;
- Setting up recruiting offices through embassies and finding jobs before return;
- Providing financial incentives for a fixed period of time in the form of a resettlement allowance.

8.5 MEASURES TO ENGAGE WITH THE DIASPORA

8.5.1 Recognition of Diaspora Organizations as Developmental Partners

Zimbabwe Diaspora organizations have largely focused on advocating for the rights of migrants in host countries. However, they are increasingly beginning to engage in activities that play a role in the development of the home country. It is noteworthy that the mission statements of many of the diaspora organizations have been augmented to be more forward-looking and focused on development of the home country. For example, the Zimbabwe Diaspora Development Chamber based in South Africa, and the UK-based Zimbabwe Diaspora Development Interface, are organizations specifically focused on development in Zimbabwe and should be embraced as development partners.

As a means of encouraging a diaspora contribution to development, there is also a need for an institutional platform for partnership between the government and the diaspora. Embassies, consular offices and trade offices overseas could be used to provide for communication and coordination of mutually beneficial activities. Specific activities that have been successfully employed elsewhere include:

- The use of formal and informal connections that draw on the expertise and business contacts of the diaspora, including encouraging interaction with colleagues at home; and
- A deliberate effort to build a transnational community whereby diaspora scientists, engineers and other skilled people are brought together in meetings and conferences sponsored by the government.

8.5.2 Co-development Policies

The government should explore the possibility of engaging in co-development programmes with countries with high concentrations of Zimbabweans, in particular South Africa and the UK. The de-industrialization that has happened in Zimbabwe over the last decade means that school and college leavers are unlikely to find employment opportunities in the country. Under such conditions, a restrictive migration policy in the absence of opportunities in the home country makes no sense. The Government should instead harness the potential for return migration by adopting a transitional policy of exporting labour to selected countries with which it enters into beneficial arrangements. The idea is to formulate appropriate migration policies aimed at facilitating the mobility of skilled workers in ways that are beneficial to the both host and home country.

As in the case of the Filipino government, the government should enter into bilateral and multilateral agreements in order to protect its citizens working abroad and to match required skills with local training.

8.6 ENGAGEMENT WITH THE BILATERAL AND MULTILATERAL ORGANIZATIONS

8.6.1 Create a Database of the Diaspora

The Ministry of Labour might consider entering into a partnership with the IOM to initiate a Migration for Development in Africa (MIDA) Zimbabwe programme. Initially, technical assistance should be sought for the development of a database of the profiles of Zimbabwean migrants abroad and producing an inventory of available skills in the diaspora that could be utilized for the development of the country. Once there is such a database, then IOM in collaboration with the government and other stakeholders could facilitate beneficial transfer of skills.

Once again the Philippines provide an excellent example in the area of migration data management. Provision for a comprehensive shared government information system for migration was contained in the Migrant Workers and Overseas Filipinos Act of 1995[35]. The Act mandated the establishment of an integrated database that networked all previously existing databases for easy inter-agency access and sharing of information. All information regarding deployments, remittances, returnees or even departures on a permanent basis is constantly updated on this shared database and is easily available to policy-makers, analysts and the public. This is an idea Zimbabwe could consider emulating.

8.6.2 Build the Capacity of Diaspora Organizations

Bilateral and multilateral agencies, in cooperation with the government, should provide technical support and training to Zimbabwean Diaspora organizations. Diaspora organizations would utilize such support to improve their role in advocacy of migrant rights, to raise awareness on the role of diasporas in development and to increase their capacities to raise funds and implement development projects.

[35] Migrant Workers and Overseas Filipinos Act of 1995. <http://www.smc.org.ph/rights/RA8042.htm>

Section 9

Going Forward

Over the medium-term migration policy will be driven by GDP and population dynamics. The Zimbabwe economy used to be the second largest economy in SADC after South Africa. This position is now occupied by Angola and Zimbabwe is now the fourth smallest economy in SADC with its GDP having fallen to a mere 1.3 percent of South Africa's GDP. Table 20 below shows GDP projections of SADC countries from 2009–2014 and the percentage of each country's GDP relative to the GDP of the regional powerhouse economy, South Africa.

Going forward, and assuming an optimistic average annual economic growth rate of 14 percent[36] still places Zimbabwe as the fourth smallest economy (after the Seychelles, Lesotho and Swaziland) in 2014 with its GDP having risen to 2 percent of South Africa's GDP. Being a neighbour of South Africa like Lesotho and Swaziland, and like them being a relatively small economy, Zimbabwe is likely to continue exporting labour to the powerhouse economy and elsewhere just as the two other economies have done. In fact the population of Zimbabwe, estimated at 8–9 million after taking into account out-migration, is now arguably too big for the size of the economy so that it makes sense for the country to adopt a temporary labour export migration policy involving unskilled manpower.

Given the size of the economy and population, in the medium-term Zimbabwe may have to replicate the migration policy pursued by the Philippines, which essentially is one of temporarily exporting excess unskilled labour. The Beitbridge Border Initiative that facilitates farm workers from Masvingo to work in South African farms in Limpopo Province is a strategy that should be expanded to all provinces of the country for any exportable unskilled labour. The market for exportable unskilled manpower should not be limited to South Africa. There is need for a coordinated policy to look for labour markets in other parts of the world for the country's excess unskilled labour. Policy-makers might take a cue

Table 20: SADC GDP projections, 2009–2014

Country	GDP-2009 US$ (billions)	GDP-2009 % of SA GDP	GDP-2014 US$ (billions)	GDP-2014 % of SA GDP	Avg growth 2009–2014
Seychelles	0.7	0.2	1.1	0.3	10.6%
Lesotho	1.6	0.6	2.0	0.6	4.2%
Swaziland	2.9	1.1	3.4	1.0	3.0%
Zimbabwe	3.6	1.3	6.9	2.0	14.0%
Malawi	4.9	1.8	9.7	2.8	14.5%
Madagascar	9.0	3.2	12.7	3.6	7.2%
Namibia	9.0	3.3	10.4	3.0	2.9%
Mauritius	9.2	3.3	11.6	3.3	4.9%
Mozambique	9.7	3.5	12.8	3.6	5.7%
Botswana	10.8	3.9	15.0	4.3	6.8%
Congo, DRC	11.1	4.0	17.4	5.0	9.3%
Zambia	12.3	4.4	23.6	6.8	13.9%
Tanzania	22.2	8.0	33.4	9.6	8.5%
Angola	69.7	25.1	151.1	43.2	16.7%
South Africa	277.4	100.0	349.6	100.0	4.7%

Source: IMF World Economic Outlook database, October 2009

[36] Annual growth rates of over 10 percent have rarely been achieved by non-oil producing countries in Africa.

once again from the experience of the Philippines which established the Philippine Overseas Employment Administration (POEA) that regulates and manages the temporary migration process by limiting participation to qualified players, setting minimum standards of recruitment and employment and formulating rules and regulations to manage the process and maintaining a monitoring system that ensures compliance by all players.

The policy of temporarily exporting unskilled manpower does not run counter to the need for efforts towards training, retaining and attracting back skills crucial for long-term development. The two policies should actually complement each other. The temporary migration policy could be considered as a short-term to medium-term policy geared towards alleviating unemployment and poverty, while the skills training, retention and attraction policy is geared towards moving the country to a sustainable long-term growth path.

Section 10

Conclusion

This working paper has sought to provide readers with an understanding of the complexity of the issues arising from international labour mobility, as well as the specificities of Zimbabwe's own out-migration experience, particularly as regards the period since 2000. A number of considerations flow from the analysis this working paper contains.

Firstly, it is clear that there is a vast range of country-specific experiences from which Zimbabwe could benefit tremendously in terms of developing appropriate diaspora, emigration and repatriation policies. The countries referred to in this document adopted different policies towards their respective diasporas, labour migration and remittances and there is much to learn from these. This experience has now been catalogued and is therefore available to inform the design and implementation of the necessary policies in Zimbabwe.

Secondly, given increased international interest in the developmental impact of cross-border labour flows, there are also significantly improved theoretical and analytical frameworks, and the accompanying data sets, available than was the case a decade ago. Policy design and decision-making are therefore much less based on trial and error than they were in the past. This is not a negligible advance given the 'hidden' nature of both migration trends and patterns of remittances.

It should be noted that, in line with the overall deterioration of the quality of national statistics, Zimbabwe's data on volumes and patterns of emigration, remittances, return migration and the skills profile of those involved in such flows, is deficient. Recognition of the existence of serious lacunae on these aspects of the country's human capital base should be factored into any national 'data for development' efforts. Improvements in this area are essential if policy design and decision-making are to be based on reliable evidence, as is also the requirement to build up the necessary analytical capacity given the complexity of the issues involved. Just by way of example, a much deeper understanding of the impact of remittances on national poverty levels, based on household data and the mapping of the various direct and indirect transmission channels through which they flow, will be an essential component of any future national poverty reduction strategy.

Having said this, the above are the purely technical requirements for enhancing the contribution of the diaspora to recovery. At the end of the day, the ability of the diaspora to effectively contribute to Zimbabwe's economic recovery will by and large depend on the political and economic environment in Zimbabwe. Once again international experience shows that the diaspora will only have an enhanced national attachment to the home country if it comes to be treated by national authorities as a legitimate stakeholder in the political and economic processes of the country going forward.

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