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Faculty of Regional Development and International Studies

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# **BACHELOR THESIS**

The Impact of Migration on the Development of Ghana

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May God richly bless you all.
ii

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iii

## **Abstract**

International migration is on the increase and this has been a topic of discussion to ascertain the effects of migration on the development of developing economies. This study therefore seeks to analyze the impact of migration on the development of Ghana. Time series data (secondary data) was used to evaluate the impact of migration on the development of Ghana using a simple regression analysis.

From the study, remittance had a significant positive effect on GDP growth of Ghana but was insignificant to Human Development of the country. However, there was a positive correlation between remittances and Human development in Ghana which implies that, an increase in remittances would increase Human Development in Ghana. Also, analysis on emigration rate and skilled labour force in Ghana showed a positive significance between the emigration rate and skilled labour force. This implies that, as the skilled labour force in Ghana increases, there would be an increase in the migration of skilled labour in Ghana.

The study further suggests that, the impact of migration on the development of Ghana would be deemed as a brain gain and not a brain drain as remittance contribution to Ghana's economic development from the analysis was positive.

**Keywords:** Migration, Development, Remittance, GDP, Human Development, Ghana, labour force.

## **Abstrakt**

Mezinárodní migrace je na vzestupu a představuje téma diskuze ke zjištění dopadů migrace. Tato studie proto analyzovala dopad migrace na rozvoj Ghany. Pro zhodnocení dopadů migrace na rozvoj Ghany byla použita data časových řad (sekundární data) v jednoduché regresní analýze.

Podle studie měly zaslané obnosy velmi významný pozitivní efekt na růst GDP Ghany, ale naopak zanedbatelný efekt na lidský rozvoj země. Ačkoliv, je zde pozitivní korelace mezi zaslanými obnosy a lidským rozvojem, což ukazuje, že růst zaslaných obnosů by také zrychlil lidský rozvoj v Ghaně. Navíc analýza míry emigrace a vzdělané pracovní síly ukázala pozitivní význam mezi mírou emigrace a mírou vzdělané pracovní síly. To vysvětluje, že jakmile by

vzrostla míra vzdělané pracovní síly, tak by byl také zároveň zaznamenán nárůst v migraci vzdělané pracovní síly v Ghaně.

Studie dále navrhuje, že dopad mirace na rozvoj Ghany by byl považován za "příliv mozků" a ne za "odliv mozků", jelikož příspěvek úhrad na ekonomický rozvoj Ghany, který byl získán z analýzy, byl pozitivní.

Klíčová slova: Migrace, Rozvoj, Úhrady, GDP, Lidský Rozvoj, Ghany, Pracovní Síla

# **Table of Contents**

1.0 INTRODUCTION	L
1.1 Background to the study	L
1.2 Statement of the problem	2
1.3 Objective of study	2
1.4 Research Questions	3
1.5 Research Hypothesis	3
1.6 Significance of the study	3
2.0 LITERATURE REVIEW	5
2.1 Migration	5
2.1.1Types of migration5	5
2.2 Types of people who migrate	7
2.2.1 Emigrants	7
2.2.1.2 Types of Ghanaian emigrants	)
2.2.1.2.2 Ghanaian Labour emigrants	)
2.2.1.2.3 Ghanaian Students	Ĺ
2.2.1.2.4 Ghanaian Tourists and visitors	Ĺ
2.2.2 Immigrants 11	Ĺ
2.2.2.1 Total number of immigrants in Ghana	2
2.2.2.2 Types of immigrants in Ghana	3

	2.3 Causes of migration	14
	2.4 Evolving theoretical perspectives of migration	15
	2.5 The possible impact of international migration on the sending and receiving countries	16
	2.7 Migration and Education	17
	2.8 Migration and Brain Drain	18
	2.9 Remittances and Development	19
	2.9.1 Overview of migration policy in Ghana	20
3	.0 AIM AND METHODOLOGY	22
	3.1 Organization of the Thesis	22
	3.2 Research Design and Data Sources	22
	3.3 Data Sampling and Analysis Procedure	22
	3.4 Definition of Variables	23
	3.5 Model Specification	24
	3.5.1 MODEL ONE	24
	3.5.2 MODEL TWO	25
	3.5.3 MODEL THREE	25
	3.6 Model Estimation Tools	25
	3.7 Data Analysis Techniques	25
4	.0 PRACTICAL PART	27
	4.1 Background of study area	27

4.2 Data Presentation and Interpretation of findings	28
4.2.1 International Remittance flow in Ghana	29
4.3 Analysis of model, results and interpretation	32
4.3.1 Remittances and Human Development Index (HDI)	32
4.3.2 Remittances and GDP growth	34
4.3.3 Emigration rate and total Labour Force	36
5.0 CONCLUSIONS AND RECOMMENDATIONS	38
5.1 Conclusions	38
5.2 Recommendations	43
6.0 REFERENCES.	44
6.1 ONLINE SOURCES	49
7.0 LIST OF ABBREVIATIONS	50
8.0 LIST OF FIGURES GRAPHS AND TABLES	52
8.1 List of Figures	52
8.2 List of Graphs	52
8.3 List of Tables	52
APPENDICES	53

## 1.0 **INTRODUCTION**

## 1.1 Background to the study

Migration is now a worldwide phenomenon. For the last few decades, no part of the world can claim to have remained untouched by the deepening and widening reach of migration processes. This has been a response to the forces of globalization and interconnectedness of places facilitating movement of people. The forces of globalization offer demands for labour service which has made the movement of people across boundaries much easier. However, the interconnectedness of places has opened diverse opportunities of labour across space making it possible for migrants to compare between labour services outside the home and within the home (Zaami 2010).

Empirical evidence indicates that over the last century, migration trends are on the increase and almost half of these migrants are women. Internal migration movement within a country and international migration movement across borders could have various reasons. An individual may migrate for political, social and economic reasons. The variation in movement could be either voluntary or forced in nature (Martin 2005 in Jolly and Reeves 2005:5).

According to Awumbila and Ardayfio-Schandorf (2008:171), Ghana is not an exception as migration has become a common household survival strategy and the basic survival strategy for individuals and families to enable them cope with difficult economic conditions. Studies of migration in Ghana focusing on its patterns, determinants, and impacts on welfare and poverty date back to the 1960s. In sub-Saharan Africa (SSA) migration is such a widespread phenomenon, that any study made on an urban area will invariably deal largely with a population which was not born there. Most of these people have migrated from other parts of the country, particularly rural areas and other countries.

Some important determinants of the likelihood to migrate noted by (Caldwell, 1968) include presence of friends or relatives in the destination locality thus migration networks (also observed by Tutu, 1995), gender, with males more likely to migrate than females, age, with younger persons more likely to migrate and household size, with larger households with producing a greater number of migrants. Lately, international migration has come to the forefront of Ghana's development concerns, as its impact is increasingly felt in various sectors. The cabinet's approval for the setting up of the Migration Unit within the Ministry of Interior to develop a migration policy framework is a clear indicator. Although Ghana has a long history of

emigration, the flow of emigrants seems to have intensified in the last two decades in response to economic decline in the country.

As part of the measures to make it easy for Ghanaians in the Diaspora to contribute to the country's development, this study therefore seeks to focus on the positive and negatives aspects of migration, causes of migration in Ghana, the effectiveness of migration framework polices, the contributions of migration to Ghana's economy in diverse ways with regards to both international and internal migration and above all the implication of migration to the development of Ghana's economy.

## 1.2 Statement of the problem

Ghana is a country with enduring migration traditions, Ghanaians began to emigrate around 1965, when the country experienced a severe economic crisis. Larger-scale emigration began in the 1990s when many Ghanaians unskilled and professional personnel travelled outside West Africa mainly to Europe and North America in search of what we called "greener pasture". In 2005 Ghanaians abroad are estimated to be three million (Twum-Baah, 2005). Does this huge number of emigrants contribute to Ghana's economy? What role do remittances play in improving the standard of living to the citizens of Ghana?

With this huge of number of emigrants from Ghana of which most are highly skilled, would it be an effect on Ghana's labour force and also is it a brain drain or a brain gain?

The study therefore seeks to analyze quantitatively and qualitatively impact of migration on the development of Ghana's economy.

## 1.3 Objective of study

- To highlight on the factors that motivate people to migrate
- To assess the level of migration in Ghana
- To highlight on the effects of migration on the development of Ghana
- To evaluate the impact international of Rural-Urban migration on the welfare of female and male migrants in Ghana

## 1.4 Research Questions

- What are of the factors that motivate people to migrate?
- What is the level of migration in Ghana?
- What is the relationship between migrant remittances and HDI?
- What is the relationship between migration (Emigration) and the size of the Ghana labour force?

## 1.5 Research Hypothesis

- There is a relationship between migrant remittances and GDP growth
- There is a relationship between migrant remittances and level of HDI.
- There is a relationship between migration (Emigration) and the size of the Ghana labour force.

## 1.6 Significance of the study

The migration of people from Ghana to other part of the world has received some research attention. Most of the research has traced the Ghanaian migration from the British colonial times where men and females were recruited to work. The trend has however changed over a couple of decades now and with the inception of globalization, many high skilled Ghanaians migrate mainly to seek what is referred to as "greener pastures". More so, there is a debate on the extent to which migration from developing countries affect the human resource aspect of developing in what is termed as "brain drain". Migration has now become a root for many policy makers and the debate on how international migration could affect a country from the economic aspect is making headlines on the international scene. Remittances has also been identified as one way in which emigrants mostly from developing countries help to improve the standard of living of their families back in their home country.

This research is however focused on identifying the extent to which remittances has contributed to the development of Ghana through improvement in the standard of living and to a larger extent reduce poverty in the country. It will give an insight on the various migration reasons and analyze to see the extent of the benefits of migration.

The study will therefore show the significance of migration, that is, whether it is a brain drain or a brain gain on the economy of Ghana and make specific inferences for policy makers on issues concerning migration in Ghana. It will also serve as a point of reference for other academicians when conducting similar type of research.

## 2.0 LITERATURE REVIEW

In this section the researcher reviews some important research done by other researchers in the field. Also, some reports on migration in developed countries by international organisations were also employed in this part. The section focuses on migration, which is the central driver featured in this study. By exploring the key developments in this field, a platform is built upon which subsequent discussions are based.

## 2.1 Migration

Migration is generally defined as the spatial mobility of people between one geographical location and another, generally involving a change of residence from a place of origin to a place of destination. It is a difficult concept to define because it includes people who move for different reasons across different spaces.

Migration is one of the major components of population change, and has been an integral part of livelihood diversification across many developing countries for at least the last century (Agesa & Agesa, 1999:12). Migration has been taking place for a very long time due to the forces of globalization and their impacts on mobility and as such most migrants generally moved from resource-poor to resource-rich areas (Zaami 2010). The accelerated development of communication, transport, trade and information networks through globalization has strengthened the connections of migrants to two or more places. This process has included internal, regional and international movements which exists in widely different demographic contexts and cuts across class and skill boundaries (Dugbazah, 2007)

## 2.1.1**Types of migration**

## 2.1.1.1 Internal migration

Moving to a new home within a state, country, or continent of origin, this brings light to four main types of internal migration namely, rural-rural, rural-urban, urban-urban and urban-rural (Primavera, 2005). Migration is perceived as a process that widens the disparities between urban and rural areas rather than equalizing them. Young people who are looking for better job opportunities decide to migrate to cities with better living conditions increasing urban population and poverty through slums and social vices. According to the 2013 World Population Policies Report, 85 percent of the governments in Africa and 84 percent of the governments in Asia have policies designed to reduce the flow of rural-urban migration (UNDESA 2013).

### 2.1.1.2 International migration

Despite the rapidly increasing attention that migration and migrants are receiving in development research and policy debate, little is known about the total number of international migrants. One reason is the large extent of undocumented migration. International migration is however defined as the movement of people from their home of residence or origin to a new home in a different state, country, or continent. International migration has become an established feature for contemporary social and economic life globally. It has both positive and negative features and opportunities for the countries and individuals involved. As a result, cross-border mobility has, in general, attracted a great deal of international policy attention in recent years. The transition of Ghana from the status of a net immigration country to one of net emigration in the last two decades has been attributed to internal political instability, economic mismanagement and external conditions unfavorable to the Ghanaian economy (Khalid, 2003). It runs counter to the more usual transition of countries from net emigration to net immigration (Findlay, Jones et al. 1998). However, whilst national mismanagement and associated economic and political problems provided the 'push' for this unusual migration transition, the booming economies of neighboring African countries and in Europe also constituted a 'pull' for international migration (Anarfi, Awusabo-Asare et al. 2000).

#### **2.1.1.3 Emigration**

Emigration refers to leaving one country to move to another (National Geography, 2005). It is estimated that there are some three million Ghanaians living outside the country with about a third of them in Europe and North America. These are made up of skilled and unskilled persons. Ghana has a skilled worker immigration policy aimed at creating a highly skilled and knowledgeable Ghanaian population, capable of creating wealth for Ghana and rapidly increasing the Ghanaian economy. Recruiting of highly skilled professional experts in the fields of information and communications technology, manufacturing, health care, skilled worker immigrants in Ghana include Indian, South Korean, Japanese, Malaysian, Cuban, Lebanese, Chinese, German and Dutch nationals and however after seven years as Ghanaian permanent residents with the Ghana Card permanent residency; skilled workers have gone on to become Ghanaian nationals (GSS, 2012).

### **2.1.1.4 Immigration**

Immigration is the movement of people into another country or region to which they are not native in order to settle there, especially as permanent residents or future citizens (Merriam Webster. 2014). Traditionally, Ghana has been a net immigration country with migrants mainly from Togo, Burkina Faso, Nigeria and Cote D'Ivoire. This trend continued until the late 1970s when economic and political instability led to a reversal of migration trends in Ghana. The introduction of the ERP in 1983 led to improvements in living conditions but this coincided with the repatriation of illegal Ghanaian immigrants from Nigeria and Cote D'Ivoire. Again, this led to a reversal in the migration pattern to net immigration. The changes in Ghana's economic and political conditions in the 1980s and early 1990s completely changed the country's international migration patterns; it ceased to be a net recipient of migrants but rather became a net 'exporter' and this trend had continued till date. (M. Awumbila *et al.*, 2008)

Table 1: Immigration of other nationals to Ghana

	Total Arrival				
Region/Year	1999 2000		2001	2002	
Africa	61001	181680	323371	191274	
Asia	9772	9916	14826	17209	
Europe	33912	37690	58535	63876	
LAC	846	783	1172	1851	
North America	6288	16572	33093	39056	
Oceanic	982	1485	1808	1734	
Total	112801	248126	432805	315000	

Source: Adopted from Twum-Baah (2004), Ghana Statistical Service, p 12

## 2.2 Types of people who migrate

## 2.2.1 Emigrants

The term emigrant in this study refers to Ghanaians who reside outside the country for a reasonable period, at least three months. The term therefore takes into account only primary migrants and excludes second generation migrants.

### 2.2.1.1 Total number of Ghanaian emigrants

According to census-based data (census round 2000) from receiving countries provided by the Development Research Centre of the University of Sussex, there were 957,883 Ghanaians outside the country in 2005, representing 4.6 per cent of total estimated population. In terms of destination, 689,431 Ghanaians over 71 per cent of the total number of Ghanaian emigrants live in ECOWAS countries (DRC, 2007). The principal destination remains Côte d'Ivoire, with 305,648 Ghanaian residents, followed by Nigeria and Burkina Faso with 125,052 and 93,320 Ghanaian residents, respectively. These three nations account for 55 per cent of the total number of Ghanaian citizens residing abroad .In 2006, it was estimated that 189,461 Ghanaians were residing in OECD countries, and this represented less than one per cent of the estimated total population of 22,113,000 in Ghana (OECD Migration Database, 2006). The US and the UK were the host countries for the majority of Ghanaian emigrants in the OECD area, with 69,995 and 57,172 emigrants respectively, representing over 67 per cent of the total.

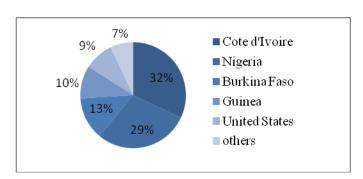


Figure 1: Ghanaians emigrant by country of destination, 2000 (%)

Source: DRC, 2007

Note: These estimates are based on 2000 Census Round data (1995-2005)

Based on information from the various embassies in Ghana on Ghanaian emigrants living outside the country, it is estimated that there are 461,549 Ghanaians living in Europe and North America. Ghanaians living in other African countries are estimated to be one million, (Twum-Baah,2007) A Country Profile study, 2009 estimated that there are 1.5 million Ghanaians living outside the country, and not 3 million as reported in some publications (EU Cover Notes, cited in Twum-Baah 2005 and Black et al., 2003). However, this estimate excludes Ghanaians in the Gulf States and Asia. Both GSS and GIS do not have data on Ghanaians living abroad. Recent data from the

Ministry of Foreign Affairs indicates that there are 107,487 Ghanaians who have registered with Ghana Missions in 33 countries, and puts estimates at more than half a million.

The table below presents the number of Ghanaians residing in some European and North American countries. These figures are not comparable with those in the Sussex database because they refer to different years, except for Italy where a lower figure was reported for 2005 in the Sussex database.

Table 2: Number of Ghanaian nationals residing in Europe and North America, 2006, 2013

Country	Emigrants	Country	Emigrants	
UK	96,650	Czech Republic	155	
USA	67,190	Slovakia	8	
Italy	34,499	Romania	43	
Germany	20,636	Hungary	36	
Canada	17,070	Macedonia	12	
Netherlands	12,196	France	4,096	
Spain	12,068			

Source: Labour Forces Survey 2006 (UK); Ghana Embassy, Czech Republic, 2014.

## 2.2.1.2 Types of Ghanaian emigrants

#### 2.2.1.2.1 Ghanaian refugees

Ghana is ranked high among countries of origin for forced migrants, with 97,536 Ghanaians applying for asylum in industrialized countries, 1981 to 1992. Ghana was among the most important African countries in terms of applications for asylum to Europe (EU, 2006). This has been ascribed to perceived politically motivated fears, which resulted in many Ghanaians fleeing and seeking international protection. According to (Anarfi et al. 2003), between 1982 and 2001, Ghana ranked thirtieth (13<sup>th</sup>) in asylum applications to developed countries. (Twum-Baah 2005) also indicated that in 2001, 15,644 Ghanaians, representing 5.2 per cent of EU's estimated 3 million Ghanaian immigrants, were asylum seekers. There were about 11,000 Ghanaian refugees in ECOWAS countries in 2001 and most of them were in Togo.

Ghanaians who sought refuge overseas increased from 13,592 to 15,879 between 1995 and 2003. However, there has been a remarkable decline from 15,879 refugees in 2003 to only 5,060 in 2007. This trend was reversed in 2008, when more than 13,000 Ghanaian refugees were recorded to be living abroad.

Togo was the principal destination for Ghanaian refugees, with more than 61 percent (8,113) of refugees (UNHCR, 2009a). A total of 1,796 Ghanaians were seeking asylum at the end of 2007. This number slightly increased in 2008, with 2,016 cases recorded (UNHCR, 2009b). An analysis of asylum and refugee status determination by country of asylum revealed that Germany, Israel, Italy, the Republic of South Africa, and the UK were the main destinations. Figure 2 below presents the proportion of asylum applications and the countries where asylum was sought in the year 2007.

12% | S.Africa | Germany | Italy | UK

Figure 2: Asylum applications of Ghanaian nationals by country of asylum, 2007 (%)

Source: UNHCR, 2008

#### 2.2.1.2.2 Ghanaian Labour emigrants

The 2006 UK Labour Forces Survey Report revealed that most Ghanaian migrants had work permits and 80 percent of them were employed. The UK hosts a significant percentage of skilled Ghanaians, particularly lecturers, doctors, and nurses (Dovlo, 2004). The 2000 US Census Report also revealed that, the majority of people born in Ghana who were in the US were in the economically active age group, male and female Ghanaians accounted for 53 per cent and 40 per cent of the economically active population, respectively (US Census Bureau, 2000).

In terms of age, it is evident that young adults are more likely to emigrate than older people. (Twum-Baah 2005) reported that in 2000, over 30 per cent of the Ghanaians living in the Netherlands were below 15 years old, 17.1 per cent were between 15 and 29 years old; and 41.5 per cent were 30 to 34 years old. The rest were aged 45 and above. (Renee 2005) said that less than 10 percent of Ghanaians living in the Netherlands were over 45 years old. In England and Wales, it was reported that 10.2 per cent of Ghanaian residents were aged between 0 and 19; 27.2 per cent fall within the 20-34 age range; 30.3 per cent were between 35 and 44 years old; and

28.9 per cent were 45-64 years old. The US Census Bureau 2000 found that only 6.4 per cent of people born in Ghana in the US were below 14 years old. This conforms to the general demographic structure of the immigrant population.

#### 2.2.1.2.3 Ghanaian Students

The number of Ghanaian students pursuing tertiary education abroad had been steadily increasing, from 4,661 in 2000 to 8,090 in 2004. In subsequent years, however, the total number has stabilized, registering at 8,416 in 2005 and 8,064 in 2006 (UNESCO, 2006). The outbound mobility ratio has also remained stable after reaching its peak in 2004, when 11.8 per cent of Ghanaian students enrolled in tertiary education were abroad. It is reported that 1,900 Ghanaian students were pursuing tertiary education in EU countries in 2001 and another 4,238 in OECD countries (EU, 2006). The US and the UK remain the most targeted countries by Ghanaians. There were about 3,272 Ghanaian students in the US and 2,894 students in the UK in 2006 (UNESCO, 2006). According to the Scholarships Secretariat, in August 2008, scholarships were offered to 1,110 Ghanaian students around the world. Morocco and Russia emerged as the favorite destination countries of undergraduate students, accounting for 47.4 per cent and 30.9 per cent of students, respectively. The UK is the favorite destination of graduate students on government scholarship, accounting for almost 53 per cent of students. Besides these scholarship beneficiaries, there are many Ghanaian students in developed countries who are being sponsored by their relatives, friends, and institutions, among others.

## 2.2.1.2.4 Ghanaian Tourists and visitors

Ghanaians abroad constituted a total of 28 per cent of all tourists who left Ghana in 2003. The GLSS Report (GSS, 2006) revealed that most Ghanaians on outbound overnight trips visit ECOWAS countries 71.6%, relative to 25.9 per cent who visit countries outside Africa. A gender analysis of the data shows that more males than females went on outbound same-day trips to ECOWAS countries, while slightly more females than males embarked on outbound overnight trips. However, higher proportions of females went on both outbound same-day trips and overnight trips outside Africa.

## 2.2.2 Immigrants

The GIS's definition of immigrant is a person who moves into another country for the purpose of settlement, that is, for stays of six months and above. GIS therefore deals with immigrants who appear before an immigration officer at the ports of entry. In most cases, legal immigrants who

have been granted residence permits are registered. However, the GSS counts all foreign citizens residing or in transit in Ghana, irrespective of the person's legal status during the census.

## 2.2.2.1 Total number of immigrants in Ghana

The 2000 Population and Housing Census Report put the non-Ghanaian resident population at 740,191 representing 3.9 per cent 13 of the total population, while the latest UNPD statistics show that the foreign-born population constituted 7.6 per cent of the total population in 2005, a slight decrease from 7.7 per cent five years earlier. From 2000 to 2005, the migrant population grew by only 2.1 per cent, compared to 7.4 per cent from 1995 to 2000. The growth rate for 2005 to 2010 is estimated to remain at 2.1 per cent (UNPD, 2008). Female migrants accounted for 41.8 per cent of the total migrant stock in both 2000 and 2005.

The majority of immigrants to Ghana come from Africa. In 2000, 58.9 per cent of non-Ghanaian residents were nationals from ECOWAS countries, while 23 percent of immigrants came from African countries outside ECOWAS. According to border statistics from the Ghana Immigration Services, Europeans constituted the largest group of non-African arrivals 15.3%, followed by North Americans 9.7%, from 2000 to 2007 (GIS, 2008). Students make up a significant proportion of the immigrants to Ghana. In 2007, 8.5 per cent of resident permits were granted to students. Students represented a particularly large proportion among permit holders from ECOWAS countries, almost 25 per cent. The foreign student population at the University of Ghana rose steadily from 1.5 per cent in 2001-2002 to 3.8 per cent in 2006-2007.

While the overall immigrant population has remained relatively stable over the last two decades, the number of asylum seekers and refugees has dramatically increased, from 11,721 in 2001 to 34,950 in 2007. In 2007, Ghana hosted the largest refugee population in the West African subregion. In 2008, the figure reduced to about 18,206, representing 77.3 per cent of the total refugee population in Ghana, Liberians accounted for much of the increase in the number of refugees in Ghana. According to (UNHCR 2008), 40 per cent of the refugees from Liberia and Togo were minors thus persons under 18 years old. In 2008, Ghana received fewer asylum seeker and refugees 18,206, during the 2011 crisis in Libya, Ghana saw almost 19,000 single, unemployed men return home 52% to a region. Averagely, Ghana remains host to the fourth largest population of asylum seekers and refugees in the sub region.

### 2.2.2.2 Types of immigrants in Ghana

## 2.2.2.2.1 Labour Migrants

Traditionally, Ghana has been a net immigration country, with migrants mainly from Togo, Burkina Faso, Nigeria, and Côte d'Ivoire (Quartey, 2006). Ghana is home to Fulani cattle herders and seasonal workers from the West African states such as Burkina Faso, Niger, and Mali. Internal migration, especially North-South migration has been an important direction of flow in Ghana and indeed the entire West Africa since the pre-colonial era. One of the reasons for this phenomenon is the different ecological zones in the sub-region. In Ghana, it has also been observed that the cattle herdsmen in the savannah ecological zone send their animals to the south, specifically the forest and the coastal belts, during the dry season to look for pasture. This activity has been a source of tension and conflict between local crop farmers and the non-Ghanaian nomadic pastoralists (EC, 2006).

Most of the immigrants in Ghana work mainly in the industry and services sectors, with small fraction engaging in agricultural activities. The Immigration Act empowers the GIS to receive applications for working permit from non-Ghanaian residents and grants them, in accordance with the law set by the Immigration Quota Committee. Thus, a work permit is mandatory for a foreigner to work in Ghana, be it in a multinational company or not. There are sizeable numbers of Koreans and Chinese engaged in the fishing sector using trawlers along the coast. According to data obtained from the GIPC, there are also some expatriates working in the mining and construction sectors.

#### 2.2.2.2.2 **Tourists**

Ghana has recorded an overall growth in the number of tourists visiting the country in recent years. Since 2001, more than three million persons have visited the country. The main sources of attraction include Ghana's ancient forts and castles, rich tropical vegetation, tropical climate, and natural sites such as waterfalls. The relative peace and stability within the country and the proverbial Ghanaian hospitality also play key roles in attracting tourists to Ghana. In addition to efforts to improve infrastructure, events like Emancipation Day celebrations draw a significant number of tourists. The number of tourists rose by 25 per cent from 438,833 in 2001 to 550, 000 in 2003. It declined to 428,533 in 2005 and increased to 586,612 in 2007 (ISSER, 2003, 2008). The main sources of tourists from overseas to Ghana are from the UK, US, Germany, and

France. According to ISSER (2008: 173), Africans account for 34 % of tourists to Ghana compared to Europeans 25%.

## 2.2.2.3 Irregular immigrants in Ghana

A total of 19,082 immigrants who were staying in Ghana illegally were deported to their respective countries of origin. The number of illegal immigrants detected increased from 1,035 in 2001 to 7,922 in 2004, and then declined to 1,297 in 2007. Table 4 illustrated reported fraud cases involving immigrants in Ghana between 2001 and 2007. GIS recorded a total of 3,880 cases of fictitious documentation pertaining to travelling papers (passports, birth certificate, etc.), visa fraud, impersonation, and false endorsement from 2001 to 2007. In addition, there were 1,266 stowaways and 4,636 inadmissible persons in Ghana between 2001 and 2007. According to GIS, more than 27,000 irregular immigrants were deported from Ghana from 2001 to 2007.

Table 3: Reported fraud cases involving immigrants in Ghana, 2001-2007

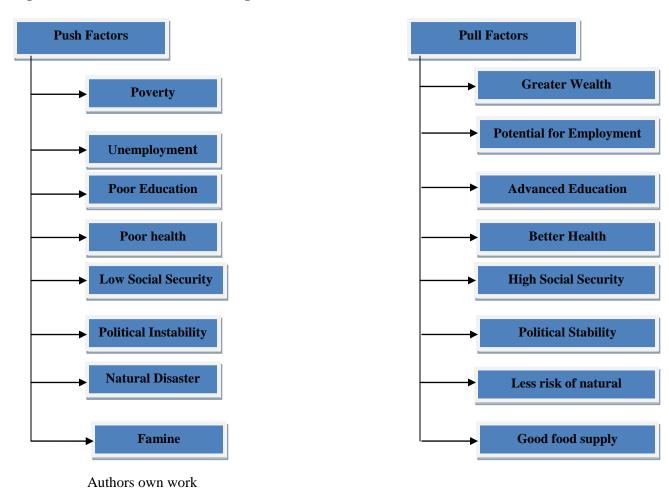
Type	2001	2002	2003	2004	2005	2006	2007	Total
Fictitious	270	245	254	131	57	242	253	1,452
Documentation								
Visa Fraud	33	70	57	46	22	146	140	514
Impersonation	62	35	58	43	88	104	83	473
False	23	21	14	14	48	16	39	175
Endorsement								
Stowaways	189	288	221	122	40	101	305	1,266
Drug-related	9	6	4	3	64	0	0	86
Inadmissible	472	459	519	631	881	990	684	4,636
Staying	1,035	2,882	1,880	7722	1,573	2,493	1,297	19,082
Illegally								
Total	2093	4,006	3,007	8912	2,773	4,092	2,801	27,684

Source: GIS, 2008

#### 2.3 Causes of migration

Migration is a complex process and has been a feature of human societies for many centuries. There are a few factors that cause people to migrate from one country to another these factors are commonly known as the pull and push factors.

Figure 3: Push and Pull factors of migration



## 2.4 Evolving theoretical perspectives of migration

In the 1960s and 1970s, most thinking on migration revolved around neo-classical economic explanations. Rooted in Lewis's 1954 idea of dual economies, where the modern sector connects with the traditional, migration was seen as a way for countries to get rid of surplus labour, the precondition for development. Migration was considered to be governed by the economics of rational choice, namely, utility maximization, expected net returns and wage differentials such that individual decision-making combined with a macro-counterpart of structural determinants to drive the flow of workers from labour abundant or low wage areas to labour scarce or high wage areas. The decision to migrate, according to this model, was thus made by actors based on cost-benefit calculations. The shortcomings of this approach became apparent when migratory flows underwent profound changes in the mid-1970s. There was a shift from national to international migration, which increased both the heterogeneity and complexity of the phenomenon thereby

raising questions about some of the assumptions made by the neo-classical model. Why, for example, do more people not move from underdeveloped areas? Likewise, why is it that some countries enjoy high rates of out-migration, while others, structurally similar, do not? In tackling such questions, it became clear that the neo-classical model, based almost entirely on economic rationale, was unable to incorporate divergent political and cultural contexts, non-economic factors, and the increasingly heterogeneous nature of migrant societies. Thus, as international migration took precedence, new ways of thinking emerged. As Massey et al., 1998 state, this created a "variegated mosaic" of perspectives rather than any single new paradigm (Stark, 1991). New Economics of Labour Migration model enriched the neo-classical explanation with one key amendment; that the rational actor was now the household rather than the individual (Wood, 1981). The Dual Labour Market Theory of Michael Piore 1979, on the other hand, placed the focus on the receiving end of migration, where outward flows of workers were caused by a permanent demand for foreign labour, and thus tied to the characteristics of advanced industrial societies. This view was closely aligned to World Systems Theory (Wallerstein 1974), which classed migration as the product of the domination exerted by core countries over peripheral ones (Portes 1978). Migration was thus seen as stemming from inequalities, an idea that Sassen, 1990) took in framing migration as a global labour supply system.

## 2.5 The possible impact of international migration on the sending and receiving countries

The economic effects of migration vary widely as sending countries may experience both gains and losses in the short term but may stand to gain over the longer term. For receiving countries temporary worker programs help to address skills shortages but may decrease domestic wages and add to public welfare burden. The economic effects of migration for both sending and receiving countries may also vary depending on who is moving, specifically with respect to migrant workers skill levels. A Swedish Professor notes, "the problem is not immigration; it is integration, especially in the labour market. If there are no jobs, the consequences are segregation, housing problems and divided cities" (Traynor, 2010).

For sending countries, the short-term economic benefit of emigration is found in remittances. Remittances are funds that emigrants earn abroad and send back to their home countries, mainly in order to support families back home. According to the World Bank, remittances totaled \$529 billion worldwide in 2012, with \$401 billion of that money flowing into developing nations. Significantly, these figures only account for funds sent through normal channels, so the amount

of remittances is likely much larger than these numbers suggest. The World Bank notes that remittances sent through informal channels could add at least 50 percent to the globally recorded flows (UNCTAD, 2011).

## 2.6 Migration verses Development

Migration is a decision that impacts the welfare of the household, the home community, and the economy as a whole in various ways (Azam and Gubert 2006). The welfare implications of migration on the origin country are most often, though not always, sizable and positive. The main channels through which migration alleviates poverty are increased incomes from remittances, ability to smooth consumption, access to finance for starting a new business, as well as tapping on to the knowledge and resources provided by the international community of the migrant diaspora. The impact of migration on development can be analyzed in two ways, namely, through its effect on labour supply and productivity. Migration affects the sending country in several ways but the key ones are shocks due to changes in labour supply as well as productivity (Katseli et al, 2005). Negative shocks to labour supply as a result of large exodus of people, particularly economic migrants appear at the early stages of migration but the positive shocks may appear at a later stage when return migration takes place the changes in labour supply induced by migration forms the first channel through which migration affects development. The second channel through which migration affects development is through remittances sent by migrants to families and relations in their countries of origin. Both effects labour supply and remittances affect economic growth and poverty directly through substitution and income effects and indirectly through productivity changes (Katseli et al, 2005). Migrations out of Ghana have become an integral part of the survival strategies of many households in Ghana. These migrations have wide-ranging economic, social and cultural dimensions for Ghanaians and the increasing exodus of health personnel is occurring at an alarming rate.

## 2.7 Migration and Education

Migration viewed in the same way as education is seen as an investment in the human agent (Sjaastad 1962). Migration and education are decisions that are indeed intertwined in many dimensions. Education and skill acquisition play an important role at many stages of an individual's migration. The economic success of the immigrant in the destination country is to a large extent determined by his or her educational back ground, how transferable these skills are to the host country labor market and how much he or she invests in further skills after arrival.

The desire to acquire skills in the host country that have a high return in the country of origin may be another important reason for a migration. From an intertemporal point of view, the possibility of a later migration may affect educational decisions in the home country long before a migration is realized. In addition, the decisions of migrants regarding their own educational investment and their expectations about future migration plans may affect the educational attainment of their children.

### 2.8 Migration and Brain Drain

Migration is seen to be evil in terms of the 'brain drain', thus human capital loss it unleashes on sending countries, although it may also provide an opportunity for the acquisition of skills, experience and knowledge. Despite the scale of remittances to Ghana, there remains concern amongst policy makers and in the Ghanaian media about the extent of the 'brain drain' in Ghana. Ghana is estimated to have lost around 14,000 teachers between 1975 and 1981, many of them to Nigeria (Van Hear 1998), and although many returned after the mass expulsion of foreigners from Nigeria in 1983, other sectors continue to be affected by the loss of skilled personnel. In recent years, the proportion of health workers leaving the country seems to have grown, in some cases however, some Ghanaians returned to the countries in which they had been trained to work, while others who travelled initially for education and or training stayed behind after their programme of study for employment (Anarfi et al., 2000; 2003). In the case of health professionals leaving the country, many studies considering the causes and the consequences of their movement and its implications to the development of the country have been done (Adepoju, 2002; Avenorgbo, 2003; Mensah et al., 2005, Bump, 2006; Manuh, 2005). Health worker migration from Ghana has focused mainly on two types of professions within the health sector, namely, doctors and nurses. Whereas doctors find it easier to migrate to the USA, nurses find it more convenient to migrate to the UK because of the ease of absorption into the health system. The choice of destination depends on the recruitment process and more particularly the ease of registration with the country's professional bodies. Migration of nurses and doctors from Ghana has been worrying, particularly, its consequences for health delivery and the well-being of many Ghanaians, including children. For instance, the 2003 Ghana Demographic and Health Survey revealed that infant mortality and under-five mortality have worsened between 1998 and 2003, a period characterized by a rapid emigration of health professionals from the country (Table 6). It is worth mentioning that although the number of nurses verified had declined continuously since

2001 as a result of a new code issued by the UK government in 2001, which required the National Health Service (NHS) employers not to actively recruit from developing countries unless there is a government-to-government agreement, the number of nurses verified after the introduction of the code far exceeds the 1998 levels. Most of these nurses are recruited by private nursing homes and by some NHS Trusts and thus the code has not adequately addressed the human resource gap caused by nurses migrating from Ghana.

300 250 200 Pharmacists 150 Allied Health workers Nurses 1999 2000 2001 2002 2003 2004

Graph 1: Brain Drain of Health Workers, 1999-2004

Source: Ministry of Health 2005, Cf. Awumbila, 2007

## 2.9 Remittances and Development

Remittances are known as the mainspring for migration and at the macro level, remittances are a source of hard currency that can be used to purchase needed foreign components and supplies spent locally to generate jobs, or taxed by government. Foreign Remittances can be therefore described as sending of money and non-monetary items to someone back home whilst living and working outside the one's home country to cater for various class of expenditure ranging from consumption to investments. Notably, it is not only households that benefit from remittances but the national economy. For instance, Pakistani economy benefited \$8bn from foreign remittance in 2008 and further had a hopeful anticipation that the remittances for fiscal year 2010-11 to cross \$10bn as remittances contribute 4% to the country's GDP (Tirmazi, 2011). Remittance receipts in developing countries is also considered as an important and stable source of income for many households, as analytical studies have indicated that, the flow of remittances is the least influenced by an economic downturn. United Nations study report, 2002 identified that remittances contribute to poverty reduction in home countries as it commands heavy cash flows and as such receiving increasingly the attention of politicians and analysts (UN, 2002). In the

past decade whiles Official Development Assistance (ODA) and Foreign Direct Investment (FDI) are fluctuating in Africa, remittance inflows have been growing consistently (World Bank, 2008). Remittances are known to have an inverse relationship with poverty reduction; thus the higher the remittances one receives, the higher improvement in one's standard of living. This is particularly true in the rural and peri-urban areas where the main occupation is agriculture (Quartey, 2006). Again; remittances are important source of livelihood for many poor households in Ghana and several Africa countries. According to (ADB 2008), 80% of remittance beneficiaries in Morocco, Senegal, Mali and Cameroun are poor households from remote areas. The remittances are mainly used to meet basic needs like food, education and healthcare. These households usually do not benefit from development assistance. To these households, the major concern is to meet daily and life's basic needs than to save towards capital accumulation. However, these notwithstanding, some investments are made in the areas of real estate, industry, and import or export through remittances from migrants. Table 5 below shows the various uses of migrant remittances in Ghana in a survey done by Quartey, 2006.

Table 4: Migrant remittance usage in Ghana, 2005

Uses	Number	Percentage of total
Living Expenses	79	48
School Fees	45	27
Working Capital	6	4
Investment for sender	22	13
Funeral	2	1
Other Social Activities	5	3
Others	7	4
Total	166	100

Source: Quartey 2006b

#### 2.9.1 Overview of migration policy in Ghana

Ghana lacks a well defined, well articulated and all encompassing migration policy. This obviously makes the management of migration difficult. Despite this, Ghanaian governments, both past and present, have made some efforts towards formulating policies and programmes to manage migration. In the immediate post independence period, Ghana pursued a liberal migration policy. The liberal migration policy is as a result of the Ghanaian government's pan-

Africanist ideological orientation and the country's leadership position in African unity issues (Dzorgbo, 1998). By the late 1960, this policy orientation had changed. In 1969, the Busia-led government of Ghana promulgated what came to be known as the Aliens' Compliance Order to expel over 100,000 aliens (Gould, 1974). Following this in the 1990s, one of the first policy documents to recognize the role of migration in Ghana's development was the revised in 1994 National Population Policy of Ghana. The document observed that, Ghana had been transformed from a country of immigration to a country of emigration. One of the key objectives of the policy was to seek, among other things, to monitor international migration and to stem the 'brain drain 'of professionals and other skilled people leaving the country. Aside this, the Ghana Poverty Reduction Strategy Paper (PRSP) also makes reference to migration as both positive and negative. The document makes reference to poverty, vulnerability and exclusion in geographically-remote rural areas, and notes that, migration of the youth from rural to urban areas as head porters, street hawkers and so forth have ameliorated what could have been a worse situation than what the statistics reveal. In addition, the document notes that out-migration from the north is a direct result of poverty, and calls for policies to address poverty sending areas lest the migration will continue. The document also highlights issues of emigration of health sector workers, and the extreme poverty of migrant farm workers. In March 2000, the Government of Ghana signed a Memorandum of Understanding (MOU) with ILO/IPEC to eliminate child labour, focusing on the worst forms which include recruitment of children for slavery, and all forms of slavery practices such as the sale and trafficking of children, debt bondage, forced or compulsory labour. In December 2005, the Ghanaian Parliament passed the Human Trafficking Act to serves a comprehensive tool in the fight against trafficking in persons, while steps are being taken to ratify the United Nations Convention against Transnational Organized Crime. Ghana has also signed the ECOWAS Declaration and Action Plan against Trafficking in Human Beings. The Ghana Immigration Service (GIS), the institution accredited to overseeing in and out movement of the Ghanaian, has been resourced recently to perform its functions more efficiently.

## 3.0 AIM AND METHODOLOGY

The aim of the thesis is to analyze the importance of migration to the development of Ghana. The study seeks to identify the effects of remittances, and its contribution to economic development of Ghana.

#### 3.1 Organization of the Thesis

The thesis is divided into five parts; Introduction, Literature review, methodology, practical part and conclusion and recommendation. The introductory part gives a general overview of migration processes in the world. The Literature part reviews various reasons why people migrate and finds other literature by other authors in the field. This part ends by describing the various linkages between migration, remittances and development as it's the focus of this thesis. The methodology part describes the analysis tools that were employed in the thesis. The practical part shows the results of the thesis and gives a qualitative analysis of the results obtained. The final part concludes the findings of the thesis and its implication for practice and further studies in the research area.

## 3.2 Research Design and Data Sources

The study focused mainly on migration, specifically international or external migration and its impact on development of Ghana. Key notable determinants such remittances was studied whiles ascertaining other important factors that encourage migration in Ghana. Data source for the study was mainly secondary and sources such as journals, articles, books, statistical bulletins and other internet sources were used. However, the use of internet literature was limited by the researcher as it is not a reliable source of data information for proper research work. Also, newspaper sources, official documents of the government of Ghana and other public online database such as the World Bank (WB) and the Food and Agricultural Organization (FAO) with relevance to the research were consulted.

#### 3.3 Data Sampling and Analysis Procedure

Quantitative data was sampled from the data base of Ghana Statistical Service, the Bank of Ghana, Ghana Immigration Services, published data from the World Bank and other sources. The research employed a 10 year time series specifically between the years 2002 and 2012. This period was chosen for the study because it reflects the trend in relationship among the variables employed in the study.

In terms of analysis, the study used a simple regression analysis model to empirically analyze the relationship between the variables used for the study. Following the use of a regression model analysis, the following assumptions were made;

- 1. There is a relationship between migrant remittances and Human Development Index (HDI) of Ghana.
- 2. There is a relationship between migrant remittances and GDP growth of Ghana.
- 3. There is a relationship between migration (emigration) and Total Labor Force of Ghana.

#### 3.4 Definition of Variables

#### • Remittances:

Remittances are generally defined as that portion of migrants' earnings sent from the migration destination to the place of origin. Although they can also be sent in kind, the term "remittances" is usually limited to or refers to monetary and other cash transfers transmitted by migrant workers to their families and communities back home. The study, however, limits itself to external remittances only.

## • Human Development:

Human Development in this study would be measured using the Human Development Index (HDI). HDI measures the average achievements in a country in three basic dimensions of human development: a long and healthy life, knowledge and a decent standard of living. These dimensions are derived from three basic indicators, namely, life expectancy, adult literacy rate and GDP per capita in purchasing power parity (PPP). It should be noted however that, HDI is not the only measure of Human development.

#### • GDP per capita (constant 2005):

Gross domestic product is an aggregate measure of production equal to the sum of the gross values added of all resident institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs). The sum of the final uses of goods and services (all uses except intermediate consumption) measured in purchasers' prices, less the value of imports of goods and services, or the sum of primary incomes distributed by resident producer units.

## • Economic Growth:

Economic growth is defined as the rate of increase of the Gross Domestic Product (GDP) of a country. Positive economic growth is an indication that the economy is producing more goods and services.

## 3.5 Model Specification

In order to investigate the impact of migration on the development of Ghana and test for the proposed hypothesis, a simple regression model is employed. Therefore, our baseline model could be specified as follows:

$$Y^*_{it} = \beta_0 + \sum_{i=1}^i + \beta_i X_{ti} + \varepsilon_t$$
 Eq. 1

Extending Eq.1 to reflect all the explanatory variables, the following regression model is obtained:

$$Y^*_{t} = \beta_0 + \beta_1 X + \varepsilon_t.$$
 Eq.2

Where:

 $Y^*$  = the dependent variable (s)

X =the independent variable (s)

 $\beta_0$  = A constant

 $\beta_{1,...}$  n are regression coefficients to be estimated.

t= time

For the purpose of simplicity, the model is broken down as follows

Y = f(x)

From the simple linear regression model above (2), the functional form of the model is presented below;

### **3.5.1 MODEL ONE**

HDI=f (RM)

Where:

RM= migrant Remittances,

**HDI**= Human Development Index

Mathematical form presented as;

 $HDI = \beta_0 + \beta_1 RM + \varepsilon_1$  Eq.3

#### **3.5.2 MODEL TWO**

GDPG = f(RM)

Where:

GDPg= Gross Domestic Product growth

**RM**= Migrant Remittances

Mathematical form presented as;

GDPg=
$$\beta_0 + \beta_1$$
RM +  $\varepsilon_1$  Eq.4

## 3.5.3 MODEL THREE

LF = f(EM)

Where;

LF= Labour Force

EM= Emigration rate

Mathematical form presented as;

$$LF = \beta_0 + \beta_1 EM + \varepsilon_1$$
 Eq.5

## 3.6 Model Estimation Tools

Knowing and establishing the specification of the models to suit the variables employed in the study, the following estimation tools would be used following the rules inscribed by economic research laws:

- 1. Simple regression theory as established above
- 2. Statistical Test significance (t-test for hypothesis under confidence level 0.05)

## 3.7 Data Analysis Techniques

Statistical tools such as Excel, Statistika and SPSS would be used for the data analysis. Data obtained will be analyzed with use of standard statistical software using descriptive statistics. The objectives will be tested using simple regression method. Data would be analyzed using frequencies with mean, mode and median indicated. Percentages will be worked out to indicate positions with measures of central tendencies and measures of dispersions. Dependent and independent variables will be used for regression analysis. Other data will be statistically treated for scientific, objective interpretations.

Deriving from the above, data will be presented in tables, graphs, charts, etc. Findings will be deduced from these followed by logical conclusions which will form the basis for appropriate recommendations.

## 4.0 PRACTICAL PART

This section of the study describes various data used for the research. It shows the presentation and analysis of data, explains outcomes of the analysis and makes inferences to the results obtained from the analysis.

## 4.1 Background of study area

Ghana is located in West Africa and shares boundaries with three countries, Cote d'Ivoire in the West, Burkina Faso in the North and Togo in the East. It shares a frontier in the South with the Gulf of Guinea (Refer to appendix for map of Ghana). The country's population in 2000 was 18,845,265 (GSS, 2002). It was estimated to be 23 million in 2007 (PRB, 2007) and currently stands at 25.6 million (GSS, 2012). With a land area of 238,537 sq. km, Ghana is administratively divided into 10 regions and 170 districts. In line with the decentralization policy of government, district assemblies were established in 1988 and charged with the implementation of national policies related to governance, education, health and agricultural development at the local level, contextualized to suit local priorities and needs.

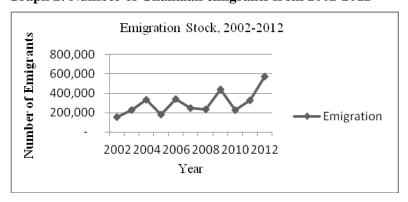
Ghana's economic situation has been a concern for some time now. Gross Domestic Product was \$12.5 billion and Per Capita Income was \$540 in 20061. GDP growth has been positive and rising since the economic reforms were instituted in 1983. The economy of Ghana grew by 6.2% in 2006 and 6.3% in 2007 (ISSER, 2008). Prior to that, real GDP growth averaged 4.7% between 1997 and 2005 (ISSER, 2008). The country's economy is also donor-dependent. This is reflected in the yearly budgetary support the country receives from her development partners. For instance in 2006, total grant disbursements to the country amounted to \$565.0 million2 while multilateral HIPC assistance, programme grants and project grants also amounted to \$56.6 million, \$122.8 million and \$189.7 million respectively. Total loans for that year amounted to \$359.5 million while exceptional financing of the budget, which was predominantly debt relief from the country's bilateral partners totaled \$80.0 million (Republic of Ghana, 2007).

Since 2001, the government of Ghana has achieved some success in stabilizing the macro economy. This was initially at the instance of high gold and cocoa prices, and later the introduction of tighter monetary, fiscal and exchange rate policies. In 2002, Ghana's development strategies were consolidated into the Ghana Poverty Reduction Strategy (GPRS 2003-2005), now renamed the Growth and Poverty Reduction Strategy, 2006-2009. Despite this

progress, Ghana still faces significant development challenges. In the area of migration, the exodus of both skilled and unskilled workers from Ghana is well known. Notable among these skilled workers are those in the health and teaching sectors who are very important to the socioeconomic development of the country and the health and wealth of the people. Reasons such as inadequate salaries for workers in the public sector, the failure of government to initiate pay reform, and the lack of job opportunities in the private sector have all been cited as contributing to Ghana's difficulties in retaining them. Other factors include lack of working equipment and infrastructural development as well as the desire to improve upon knowledge and skills. These factors have, to some extent, accounted for the emigration of students, skilled and unskilled labour to the developed regions of the world and other parts of the African continent. It is against this background that Ghana's migration profile has been prepared to highlight the movements within, from and into the country.

# 4.2 Data Presentation and Interpretation of findings

Data employed in the study were; Emigration stock of Ghana, Remittances, Labour Force, Human Development Index and GDP growth. The data presented in appendix (II) were used in testing the proposed hypothesis and interpretation of the results obtained as shown below.



Graph 2: Number of Ghanaian emigrants from 2002-2012

Source: Ghana Immigration Service, 2014.

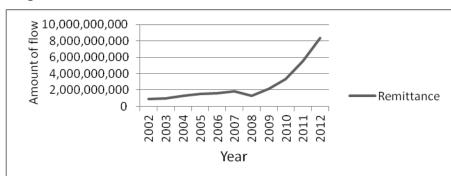
Migration (emigration) in Ghana is not a new phenomenon and as evident from the graph above, there has been a general increase in the number of Ghanaians who travel from Ghana to other countries for many other purposes which includes, attaining higher level of education and finding an enabling environment for better employment opportunities. From the graph above, it is evident that, Ghanaian emigration stock has been increasing from the years 2010 to 2012 and

hence implies that, many people leaving in Ghana would prefer to stay outside their home country for some reasons as mentioned above. However, there was also a sharp decrease in emigration stock from 2004 to 2005 and another decline from 2006 to 2008 after a rise in 2002 to 2004. Ghanaians as mentioned above like to travel and the graph therefore predicts the characteristics of Ghanaian migrants in the last ten years of the study.

## 4.2.1 International Remittance flow in Ghana

Three methods currently exist which is employed by different organisations in estimating the amount of remittance that a country receive over a period. Many authors have also argued on how best to capture the actual amount of remittances since informal channels are mostly gone unrecorded. The balance of payments estimates, micro or household surveys of recipients of such flows (such as inference from the Ghana Living Standard Survey (GLSS) and through banks or financial institutions in origin countries (usually focusing on resource transfer institutions).

In this paper, remittances flow in Ghana is based on the Balance of Payment (BOP) estimates made by the Bank of Ghana. It should be noted that, the BOP estimates do not actually report the actual remittance flow in the country and therefore may underestimate or overestimate the volume of remittances used in this study. The graph below shows the amount of remittances which were received from Ghanaians living outside Ghana during the period of the study. It shows how much money has been transferred to families in Ghana to help in one way or the other, boost economic growth of the country through improving education as well as income of individual household and thereby reducing the rate of poverty in the country. This shows that, Ghanaians abroad contributed much to Ghana's economy in the amount of \$8 billion in remittances in 2012. This could be said as a good source of foreign exchange and hence a good and potential avenue for economic as well social development of Ghana.

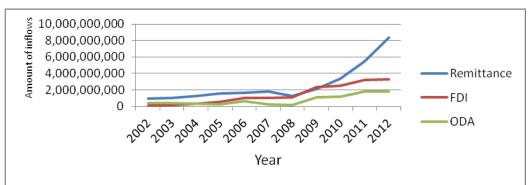


Graph 3: Amount of remittances received from 2002-2014

Source: Source: Authors own based on BoG data from Bank of Ghana.

From the graph above, it can be deduced that, remittances have been growing at an increasing from 2002 to 2007 where there was a sharp dip. This decrease in remittance could be contributed to the economic crisis that was experienced in 2007 to 2008. However the amount of remittance continued to increase from 2009 to 2012 with an estimated amount of \$18 billion in remittances to be received in Ghana (BoG, 2014).

Another channel of foreign exchange in Ghana is Foreign Direct Investment (FDI) and Official Development Assistance which are all used in support of developmental projects in the country. Since remittances as indicated above could be a source of foreign exchange in Ghana, it is worth comparing it to FDI and ODA receive in the country over the study period to analyze how effective remittance is as compared to the two other forms of foreign exchange. The graph (4) below shows the level of remittance to FDI and ODA in Ghana.



**Graph 4: Size of Remittance Flows, ODA and FDI (US\$ billions) (2002 – 2012)** 

Source: Authors own based on BoG data from Bank of Ghana.

The graph shows that, the flow of remittance to Ghana has out performed that of FDI and ODA. As FDI and ODA are all important in computing the Gross Domestic Product of Ghana, it is evident how important remittance is to the economy of Ghana in the amount of flow to Ghana.

As indicated in the graph above, remittance has been growing steadily from 2000 up to 2009 where FDI surpassed remittances but continued growing till 2012. However, comparing also the flow of the three indicators, FDI and ODA over the study period have experince flactuations as compared to remittance. It is therefore important to point out how important remittances are to the development of Ghana.

Also looking at the total contribution of remittances to national GDP, it was found to be very low. This is shown in graph 5 below;

From the graph, it is quite obvious to say that, there has been a general increase in the percentage contribution of remittance to the Gross Domestic Product of Ghana. Though there was a general decline in contribution from 2002 to 2008 which could be as a result in change of government in Ghana in 2000 and the economic crisis in 2007 to 2008 which lead to rise in prices of commodities and general hardship, this trend reverted and has been increasing since 2008. The lowest recorded contribution could be seen in 2008 (4.42%) and the highest 20.1% in 2012. This increasing trend is likely to continue with an estimation of \$18 billion in remittance to be received in Ghana in 2014 as reported by the Bank of Ghana. On general view however, a 20.1% of contribution to national output (GDP) can be deemed low and hence there are other contributing factors to the development of Ghana. Nevertheless, this contribution cannot be overlook since inflows of remittance has been proved to be higher than ODA and FDI (graph 3) above.

Contribution

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Graph 5: Contribution of remittance to GDP growth in Ghana, 2002-2012

Source: Authors own based on BoG data from Bank of Ghana.

4.3 Analysis of model, results and interpretation

4.3.1 Remittances and Human Development Index (HDI)

## 4.3.1.1 **Model One**

$$HDI = \beta_0 + \beta_1 RM + \varepsilon_1 \dots (1)$$

Hypothesis one (Null and Alternative)

H<sub>o</sub>: a<sub>1</sub>=0 There is no significant relationship between migrant remittance and HDI.

 $H_1$ :  $a_1 \neq 0$  There is significant relationship between migrant remittance and HDI.

## **Decision Rule:**

If p calculated < p at 0.05 significance level, we reject the null hypothesis ( $H_0$ ) and accept the alternative hypothesis, otherwise, we accept it.

Also, if F- calculated > f- table (4.747), we conclude that the entire or overall regression result is statistically significant, otherwise it is not.

The table below shows the regression model results for remittances and Human Development Index;

Table 5: Regression model results for Remittances and HDI

#### **ANOVA**

Mo	odel	Sum of Squares	df	Mean Square	F	Sig.
	Regression	.001	1	.001	3.500	.094 <sup>b</sup>
1	Residual	.003	9	.000		
	Total	.004	10			

a. Dependent Variable: HDI (%)

b. Predictors: (Constant), Remittance (\$ Billions)

#### Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
	(Constant)	.517	.008		64.361	.000
1	Remittance (\$ Billions)	4.372E-012	.000	.529	1.871	.094

Source: Authors own based on BoG data from Bank of Ghana.

## 4.3.1.2. Model results

Remittance (\$ Billion): HDI (%): HDI = 0.5173 + 4.3725E-12\*x (Remittance); r = 0.5291, p = 0.0942;  $r^2 = 0.2800$  F = 3.5

The estimated model result above indicates that, there is a positive correlation between remittances and HDI. This suggests that, an increase in the level of remittances has a positive increase in HDI but at a minimal rate with reference to the level of significance. Again looking at the coefficient of determination ( $\mathbb{R}^2$ ) = 0.2800, it indicates that, the regression model was able to explain only 28% of the explanatory variables whiles 82% are explained by other factors which were not part of the model and are taken care of by the error term. This percentage of explanation is very low and therefore suggests that, there are many determinants that explain HDI levels in Ghana.

Using a significance level of 0.05 and applying to the decision rule stated above, we do not reject the null hypothesis since p cal (0.0942) > 0.05. Hence p value obtained is statistically insignificant at significant level  $\alpha = 0.05$ . This implies that, there is no relationship between remittances and HDI in Ghana.

For F-test, F calculated (3.5) < F- critical = 4.747 at df = 9 and therefore the regression results is statistically insignificant.

We can therefore conclude that, the entire regression model results were statistically insignificant and hence, there is no effect of remittances on Human Development Index in Ghana.

# 4.3.2 Remittances and GDP growth

# 4.3.2.1 **Model Two**

GDPG=
$$\beta_0 + \beta_1$$
RM +  $\varepsilon_1$ ....(2)

H<sub>o</sub>: a<sub>1</sub>=0 There is no significant relationship between remittance and GDP growth.

 $H_1$ :  $a_1 \neq 0$  There is significant relationship between remittance and GDP growth.

# **Decision Rule:**

If p calculated < p at 0.05 significance level, we reject the null hypothesis ( $H_o$ ) and accept the alternative hypothesis, otherwise, we accept it.

Also, if F- calculated > f- table (4.747), we conclude that the entire or overall regression result is statistically significant, otherwise it is not.

The table below shows the regression model results for remittances and G

Table 6: Regression model results for Remittances and GDP growth

#### **ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	69.547	1	69.547	22.704	.001 <sup>b</sup>
1	Residual	27.569	9	3.063		
	Total	97.116	10			

a. Dependent Variable: GDP growth rate (%)

b. Predictors: (Constant), Remittance (\$ Billions)

#### Coefficients<sup>a</sup>

Model		Unstandardized C	Instandardized Coefficients		t	Sig.
		В	Std. Error	Beta		
	(Constant)	3.704	.818		4.528	.001
1	Remittance (\$ Billions)	1.133E-009	.000	.846	4.765	.001

Source: Authors own based on BoG data from Bank of Ghana.

#### 4.3.2.2 Model results

Remittance (\$ Billion): GDP growth rate (%): GDP = 3.704 + 1.1333E-9\*x (Remittance); r = 0.8462, p = 0.0010;  $r^2 = 0.7161$  F = 22.7

The scatter plot of the estimated model results above indicates that, there is a positive correlation between remittances and GDP growth. This suggests that, an increase in the level of remittances has a positive increase in GDP growth. Again looking at the coefficient of determination  $(R^2) = 0.716$ , it indicates that, the regression model was able to explain 71.6% of the explanatory variables whiles 29.6% are explained by other factors which were not part of the model and are taken care of by the error term. The coefficient of determination for the model can therefore be said to be high and hence this shows that, the regression is significant and the data best fits the model used.

Using a significance level of 0.05 and applying to the decision rule stated above, we do reject the null hypothesis since p cal (0.0010) < 0.05. Hence p value obtained is statistically significant at significant level  $\alpha = 0.05$ . This implies that, there is a significant relationship between remittances and GDP growth in Ghana.

For F-test, F calculated (22.7) > F- critical = 4.747 at df = 9 and therefore the regression results is statistically significant.

We can therefore conclude that, the entire regression model results were statistically significant and hence, there is an effect of remittances on GDP growth rate in Ghana.

# 4.3.3 Emigration rate and total Labour Force

# **4.3.3.1 Model Three**

LF= 
$$\beta_0 + \beta_1$$
EM+  $\varepsilon_1$ ......Eq.3

H<sub>o</sub>: a<sub>1</sub>=0 There is no significant relationship between emigration and Labour Force.

 $H_1$ :  $a_1 \neq 0$  There is significant relationship between emigration and Labour Force.

## **Decision Rule:**

If p calculated < p at 0.05 significance level, we reject the null hypothesis ( $H_0$ ) and accept the alternative hypothesis, otherwise, we accept it.

Also, if F- calculated > f- table (4.747), we conclude that the entire or overall regression result is statistically significant, otherwise it is not.

The table below shows the regression model results for emigration and Labour Force;

Table 7: Regression model results for Emigration and Labour Force

#### **ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	2207874838922 .859	1	2207874838922 .859	7.389	.024 <sup>b</sup>
1	Residual	2689212150176 .777	9	298801350019. 642		
	Total	4897086989099 .637	10			

a. Dependent Variable: Labour Force ('000)

b. Predictors: (Constant), Migration (emigration) ('000)

#### Coefficients

Mode	el	Unstandardized		Standardized	t	Sig.
		Coeffi	cients	Coefficients		
		B Std. Error		Beta		
	(Constant)	8303769.53 4	451113.090		18.407	.000
1	Migration (emigration) ('000)	3.808	1.401	.671	2.718	.024

Source: Authors own based on BoG data from Bank of Ghana.

#### 4.3.3.2 Model results

Migration (emigration): Labour Force: LF = 8.3038E6 + 3.8077\*x (Migration);

$$r = 0.6715$$
,  $p = 0.0237$ ;  $r^2 = 0.4509$  F= 7.389

The table estimated model results above indicate that, there is a positive correlation between emigration of skilled labour and total labour force of Ghana. This suggests that, an increase in the level of emigrants from Ghana causes a subsequent increase in total labour. Again looking at the coefficient of determination ( $R^2$ ) = 0.4509, it indicates that, the regression model was able to explain 45.1% of the explanatory variables whiles 55.9% are explained by other factors which were not part of the model and are taken care of by the error term. This percentage of explanation is high and therefore suggests that, the effect of emigration on Ghanaian labour force is positive and well explained by the regression model.

Using a significance level of 0.05 and applying to the decision rule stated above, we do reject the null hypothesis since p cal (0.0237) < 0.05. Hence p value obtained is statistically significant at significant level  $\alpha = 0.05$ . This implies that, there is a relationship between emigration and total labour force in Ghana and hence we reject the null hypothesis and accept the alternate hypothesis.

For F-test, F calculated (7.389) >F- critical = 4.747 at df = 9 and therefore the regression results is statistically significant.

We can therefore conclude that, the entire regression model results were statistically significant and hence, there is an effect of emigration on total labour force of Ghana.

#### 5.0 CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Conclusions

Migration has recently gained international recognition and interest especially international migration. It has been on the platform of many governments and international organisations with a growing consensus that, international migration could have an impact on the development of both developed and developing economies. This study therefore aimed at analyzing the impact of migration on the development of Ghana. The study made use of a ten (10) year time series data on migration in Ghana from the year 2002 -2012. One way in which the benefit of migration is measured is the use of the so called migrant remittances. This study therefore employed the use of remittance as an indicator of migration benefit for the period of the study. To further analyse the impact of migration and to ascertain if migration can be deemed as a brain drain or a brain gain, the study included variables such as Gross Domestic Product (GDP), Human Development Index (HDI) and Labour force participation in Ghana over the study period. The study was analyzed using a simple regression analysis (OLS) to find out if there exits any relationship between remittances and Gross Domestic Product and Human Development as well as the relationship between migration rate and labour force participation in Ghana.

As stated above, migration in Ghana is not a new phenomena and the onset of the study revealed an increasing level of migration in Ghana with an estimated 600,000 Ghanaians leaving outside the country in 2012. However, since every individual migrant has a reason for migrating, the study found out that, poverty, high unemployment rate which currently stands at 5.90% in Ghana, education, better health and most often for the reason of better job opportunity and better working conditions among others may push people into migrating and in that, the case of Ghana. Also, the study found out that, the United Kingdom, United States of America and Italy with total Ghanaian immigrants of 96,650, 67,190 and 34,499 respectively are the top three (3) countries with high migration rate from Ghana with Slovakia recording the least number of Ghanaian immigrants with a total of 8 as represented in table 2 above. This shows that, Ghanaians would prefer travelling to the United Kingdom, United States and Italy as compared Slovakia which is least attractive. We can therefore suggest that, though economy as well as language of a country was not identified in this study as an indicator of a migrant's motive for travelling, the Ghanaian case could be concluded on this. The economies of United Kingdom as well as that of United States are higher in economic terms as compared to Slovakia. Also English

is the official language in Ghana which is also the official language of the above mentioned countries which would therefore be an attraction or reason for a Ghanaian migrant visiting such countries. However, we cannot substantiate this claim as research on this is unavailable. A look at the opposite side, the study showed that, 15.3% of all non-African migrants visiting Ghana were from Europe with 9.7% coming from North-America. Students however make up a high percentage of the immigrants visiting Ghana. This is therefore is in line with education as a motive for an individual to migrate.

A consequence of migration which is known to have an effect on the development of many developing countries is labour migration. This study revealed that, the health sector in Ghana is most affected by labour migration as the number of health workers has been increasing over the years with a total of 250 nurses migrating in the year 2004. As the number of nurses in the country continues to increase, the ratio of nurses to patients would be affected as a small number of nurses would be available to cater for a higher number of patients. This would therefore affect the health of Ghanaians in the country and the development of Ghana as a whole. Since the development of any country is dependent on skilled labour, migration of Ghana's skilled labour would affect the development of Ghana as there would be a reduced number of human resources for the country.

As stated above, migration can be deemed as a potential for the development of developing countries and hence one way in which such potential can be harnessed is through what is referred to as migrant remittances. The study showed that, remittances as based on the balance of payment by the Bank of Ghana, has been growing over the study period. A total of \$18 billion contributing 20% to the GDP of Ghana was recorded in 2014. The study also showed that, remittances if used as a foreign exchange indicator, has outperformed both Foreign Direct Investment (FDI) and Official Development Assistance (ODA) over the study period. This economically proves that, remittance contribution to Gross Domestic Product of Ghana was higher than that of FDI and ODI as shown in graph 5 above. As a good contributor to GDP, remittance can be said to contribute to economic growth and development of Ghana. However, looking at the main purpose of migrant remittance use in Ghana, the study showed that, most migrant remittance was used as a source of living expenses (income) for individual households. This means that, with a constant flow of income in individual households in Ghana, poverty to

some extent can be reduce as households would have means to basic needs which would lift them above the national poverty line. Another use of migrant remittance in Ghana was for the payment of educational fees. This also implies that, with a constant inflow of remittances to households in Ghana, many households would be able to have access to education which would improve their literacy. On the broader side, an impact on the development of Ghana would be an increased in high skilled labour which would be as a result from improved literacy rate of individual households in the country. As every country's development is based on the number of skilled labour, an increase in literacy rate in the country would have a replica effect on the economic as well as the social development of the country. Another effect of migrant remittance use in Ghana would be an increase in the Human Development index of Ghana which is an indicator to measure the level of health, education and income status of the population of Ghana. An improved HDI in Ghana would therefore mean that, the economic growth of the country would be boosted as healthy and highly skilled active labour would be ripped in the country. To add to this, the study also revealed that, the third most important use of migrant remittance in Ghana is for investment purposes. This implies that, the growth of businesses in the country would be boosted as remittances increase in the country. Investing in an economy is one way in which an economy grows and therefore, remittances in this vain, would serve as a contributing factor to economic growth and development. More so, as many investments are done in the country, there would be the creation of jobs which would have a subsequent reduction in unemployment rate which would mean an increase in economic development since many people in the country would work and the government would generate enough tax for developmental projects.

Empirical analysis of the impact of remittance on Human Development in Ghana showed that, remittances had no significant relationship with Human Development in Ghana. This implies that, though a use of migrant remittance in Ghana is for income purpose and therefore was expected to have a significant relationship with Human Development, the study revealed an insignificant level of 0.094. However, a look at the correlation coefficient from the regression analysis showed that, remittances had a positive effect on Human Development in Ghana. This implies that, as the inflow of remittances into Ghana increases, there would be a subsequent increase in the Human Development Index of the country. An increase in the Human Development of the country means that, there is an increase in the literacy rate of the country as

well as Health and income status of individuals in the country. Improving the income level of individuals would mean helping them to achieve their basic needs which also would reflect on improving their standards of leaving and therefore reducing poverty among individual households and the country as a whole. Also improving educational level which means improving literacy rate in the Ghana as a result of increased HDI would imply that, the country would have high level of skilled labour. High skilled labour accelerates economic growth and development and therefore would have an enormous impact on the growth and development of Ghana.

Though from the study we found out that the percentage contribution of remittances to GDP was minimal and fluctuating, the impact on GDP growth gave a contradictory answer. Remittances from the simple regression analysis was significant at (0.01) to GDP growth and gave a positive correlation which means that, as the amount of remittance inflow increases, GDP growth of Ghana would also increase. This finding however contradicts the findings of Chemi et al (2003) in their work on remittances and GDP growth using standard population-averaged cross-section estimation and concluded that remittances tend to be negatively correlated with GDP growth, suggesting that they are compensatory in nature. Also Bettin and Zazzazo (2009) concluded that, workers' remittance contributes very little to economic growth and hence couldn't find any positive impact of remittances on long-term growth of developing countries. However, the findings of the study is in line with the conclusions of Mansoor and Quillin (2006) who disputed the findings of Chemi et al (2003) by stating that the model used by Chemi et al was faulty and therefore found a significant positive effects of remittances on GDP growth. This implies that, remittances as indicated as a tool for economic growth of developing countries such as Ghana has the potential since the study has revealed a significant positive effect on GDP growth. As mentioned above, remittances has been identified as a good contributor to GDP growth of Ghana and hence it must be emphasized that, remittances would yield a positive economic growth of Ghana whether through increased savings, consumption of households, investment or improving income status of individual households in Ghana as mentioned in empirical studies and shown in this study as well. We can therefore conclude that, increased remittance inflow in Ghana would have a ripple effect on the economic growth of Ghana and thus boosting the development of the country as a whole.

Another aspect of international migration which is on the platform of researchers is the impact of migration on the skilled labour force of a country. Empirical results obtained in this study showed that, there is a positive significance between labour force and emigration rate. This implies that, as the number of high skilled labour increases, the number of high skilled migrant would also increase. Since the development of a country is dependent on the number of high skilled labour, Ghana can therefore be said to loose in this context. As found by Verter (2011) in his work on the impact of migration on the labour market of Nigeria, there was a significant positive correlation between migration and labour force. This result is in line with the findings of our study. In addition, as the number of skilled labour migration increases, there would be an opposite effect on the development of Ghana as it would bring about inequality in the society. Based on the standard economic law of diminishing marginal product of production factors and as evident, theory predicts that, inequality in labour force quality decreases in advanced economies with standard conditions as compared to developing economies such as Ghana and as such, as the share of high skilled labour in an economy increases, its price decreases and hence the wage differential between high and low skilled labour decreases as well for the receiving countries. However, since Ghana is a sending country, the opposite could be said as increasing skilled labour migration would mean a deficit for the country and therefore the need for more skilled labour. Using a simple theory of demand and supply: as high skilled labour would be demanded, the price would increase as few would be supplied and hence increasing the wage of high skilled labour in the country which would increase the gap between high skilled and low skilled labour force and therefore, an increase inequality in the country. This also suggests that, migration of skilled labour force would affect the distribution of wealth and income in Ghana by increasing inequality which is detrimental to the development of Ghana.

To conclude, the study showed a positive significance for remittances and GDP growth of Ghana as well as for migration and labour force of Ghana. However, remittance was insignificant to Human Development in Ghana but showed a positive correlation which implies that, there is an indirect effect of remittance on Human Development in Ghana. Base on the above analysis on the impact of migration on the development of Ghana, the study has proven that, migration benefits to Ghana through the use of remittances would impact the development of Ghana as compared to its cost through the use of lost of high skilled labour. We can therefore conclude that, migration in Ghana is a brain gain based on the findings of the study but not a brain drain.

#### 5.2 **Recommendations**

International migration in this globalised world would continue to increase and therefore the issue of brain drain. It is therefore the goal of governments in developing countries such as Ghana to develop policies that would bring enabling environment for improving the political, social and economic environment of Ghana.

The following recommendations could therefore be made;

- The government of Ghana should improve on the migration policy of the country to attract migrants from migrants from other countries as migrants are important for the development of both the sending and receiving countries.
- As the study showed, remittances impact on GDP was positive; we therefore recommend that, the Government of Ghana improve the channels of remittance transfer from abroad by creating a central authority for the receiving of remittances.
- The Ghanaian government should formulate such policies which make easy to transfer remittances in legal way and also reduce the cost of transferring remittances from abroad.
- An enabling environment should be created that would attract the highly skilled migrants to return home and help in the development of the country.
- The government of Ghana should also create a data base and encourage migrants in foreign countries to register so as to have data on the number of Ghanaian migrants abroad for research purposes.
- Motivation is a good incentive and therefore the government of Ghana must motivate the highly skilled workers in order to reduce migration of highly skilled labour.
- For academic purposes, further research should be done to ascertain the cost-benefit of migration to the economy of Ghana.
- Further research should be done to evaluate the impact of remittance on inequality in Ghana.
- Further research should be done to evaluate the impact of remittance on poverty reduction in Ghana.
- As the study employed only two variables on remittance, we recommend further studies on migration employing more variables.

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# 7.0 LIST OF ABBREVIATIONS

**ADB** Africa Development Bank

**DFID** Department for International Development

**DRC** Development Research Centre

**EC** European Commission

**ECOWAS** Economic Community of West Africa States

**EU** European Union

**ERP** Enterprise Resource Planning

**FAO** Food and Agricultural Organization

**FDI** Foreign Direct Investment

**GDP** Gross Domestic Product

**GSS** Ghana Statistical Service

GIS Ghana Immigration Service

GLSS Ghana Living Standards Survey

GIPC Ghana Investment Promotion Centre

**GPRS** Growth and Poverty Reduction Strategy

**HDI** Human Development Index

**HIPC** Heavily indebted poor countries

**ILO** International Labour Organization

**IOM** International Organization for Migration

**IPEC** International Programme on the Elimination of Child Labour

**ISSER** Institute of Statistical Social and Economic Research

MOU Memorandum of Understanding

**NHS** National Health Service

**ODA** Official Development Assistance

**OECD** Organization for Economic Co-operation and Development

**PRB** Population Reference Bureau

**PRSP** Poverty Reduce on Strategy Paper

**UNDESA** United Nations Department of Economic and Social Affairs

**UNESCO** United Nations Educational Scientific and Cultural Organization

**UNFPA** United Nations Population Fund

**UNHCR** United Nations High Commissioner for Refugees

**UK** United Kingdom

**US** United States

**UNPD** United Nations Population Division

**UNCTAD** United Nations Conference on Trade and Development

**SSA** Sub-Saharan Africa

WB World Bank

# 8.0 LIST OF FIGURES GRAPHS AND TABLES

# 8.1 LIST OF FIGURES

Figure 1: Ghanaians emigrant by country of destination, 2000 (%)	8
Figure 2: Asylum applications of Ghanaian nationals by country of asylum, 2007 (%)	10
Figure 3: Push and Pull factors of migration	15
8.2 LIST OF GRAPHS	
Graph 1: Brain Drain of Health Workers, 1999-2004	20
Graph 2: Number of Ghanaian emigrants from 2002-2012	29
Graph 3: Amount of remittances received from 2002-2014	31
Graph 4: Size of Remittance Flows, ODA and FDI (US\$ billions) (2002 – 2012)	31
Graph 5: Contribution of remittance to GDP growth in Ghana, 2002-2012	32
8.3 LIST OF TABLES	
Table 1: Immigration of other nationals to Ghana	7
Table 2: Number of Ghanaian nationals residing in Europe and North America, 2006, 2013.	9
Table 3: Reported fraud cases involving immigrants in Ghana, 2001-2007	15
Table 4: Migrant remittance usage in Ghana, 2005	21
Table 5: Regression model results for Remittances and HDI	33
Table 6: Regression model results for Remittances and GDP growth	35
Table 7: Regression model results for Emigration and Labour Force	37

# **APPENDICES**

Figure 4: Map of Ghana showing its neighboring countries



Source: Britannica maps, 2015.

Table 7: Emigration rate in Ghana, 2002-2012

Year	Migration (emigration) ('000)	
2002	158,212	
2003	224,980	
2004	334,670	
2005	178,870	
2006	340,496	
2007	247,372	
2008	234,741	
2009	440,540	
2010	230,456	
2011	330,764	
2012	576,543	

Source: Ghana Immigration Service, 2014

Table 8: Inflow of remittance, FDI and ODA in Ghana, 2002-2012

Year	Remittance (\$ Billions)	FDI (\$ billions)	ODA
2002	912,400,000	105,660,000	361,720,000
2003	1,017,190,000	199,910,000	397,850,000
2004	1,287,050,000	331,980,000	292,890,000
2005	1,549,760,000	559,290,000	244,460,000
2006	1,644,580,000	1,019,350,000	603,680,000
2007	1,833,810,000	1,061,480,000	209,370,000

2008	1,261,047,040	1,114,916,344	130,693,000
2009	2,144,556,800	2,372,540,000	1,081,820,000
2010	3,358,521,600	2,527,350,000	1,192,540,000
2011	5,516,012,800	3,222,240,000	1,810,220,000
2012	8,379,520,000	3,294,520,000	1,807,910,308

Source: Bank of Ghana, 2014; World Bank, 2013; the Global economy data base, 2015

Table 9: Total labour force, GDP growth and HDI in Ghana, 2002-2012

Year	Labour Force ('000)	GDP growth rate (%)	HDI (%)
2002	8,571,298	4.00	0.52
2003	8,717,371	4.50	0.53
2004	8,851,143	5.20	0.54
2005	8,983,041	5.60	0.54
2006	9,112,126	5.90	0.49
2007	9,238,300	6.40	0.50
2008	9,513,438	6.50	0.52
2009	9,793,470	8.40	0.54
2010	10,077,810	4.00	0.54
2011	10,366,150	8.00	0.53
2012	10,673,660	15.00	0.56

Source: Ghana Statistical service, 2014; World Bank, 2014

Table 9: Percentage contribution of remittance to GDP and total GDP of Ghana, 2002-2012

Year	GDP (\$ billions)	RM % to GDP
2002	6,170,000,000	14.74
2003	7,630,000,000	13.33
2004	8,880,000,000	14.49
2005	10,730,000,000	14.44
2006	20,410,000,000	8.06
2007	24,760,000,000	7.41
2008	28,530,000,000	4.42
2009	25,980,000,000	8.25
2010	32,170,000,000	10.44
2011	39,560,000,000	13.94
2012	41,740,000,000	20.08

Source: Ghana statistical service, 2013