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REMITTANCES AND RURAL LIVELIHOODS IN NGONDYORE COMMUNITY IN ZIMBABWE.

NAME	**RUMUTSA MAXWELL RUMUTSA**
CONTACT NO &EMAIL	**mrumutsa@yahoo.com** **074 719 2653**
Student Number	**418436**
Supervisor	**Prof .T. Mogale**

REMITTANCES AND RURAL LIVELIHOODS IN NGONDYORE COMMUNITY IN ZIMBABWE.

Maxwell . Rumutsa. Rumutsa

A research report submitted to the Faculty of Law Management and Commerce of the University of the Witwatersrand, Johannesburg in partial fulfilment of the requirements for the degree of
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Declaration

I declare that this research report is my own work. It is submitted for the Degree, Master of Management in the field of Public and Development Management in the Faculty of Law, Management and Commerce at the University of Witwatersrand, Johannesburg and it has not been submitted before for any other degree or examination in any other University. Where I have used the work of other authors, I have properly acknowledged them and I have not copied any author or scholar's work with the intention of passing it off as my own. All the interviews and informal conversations that have been conducted for the purposes of this research report have also been cited correctly and I have not passed off any of my participants work, suggestions and quotes as my own.

Signed: ---

On ------------------------- Day of------------------------- 2012

Dedication

This research is dedicated to my late mother Jemina Nechikumura. How I wish you were there to witness my success that you always wished and sweated for. Rest in Peace.

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To the ten households who contributed to my research profound gratitude is expressed. I sincerely thank Prof. T. Mogale, my supervisor, his Personal Assistant Mamta for the intellectual assistance and guidance in this research. All academics at University of the Witwatersrand Johannesburg deserve special acknowledgement. I thank my wife Brenda for her love and support. My daughter Michelle when you cried during the nights you became my alarm. The authors of various published and unpublished research who gave explicit and implied permission to use their ideas and findings in my research are acknowledged. Special gratitude also goes to the Government of Zimbabwe for awarding me the Prestigious Presidential Scholarship to pursue this Masters Programme.

Abstract

Rural to urban migration forms the largest component of migration in Zimbabwe like other African economies; people have embarked on a mass exodus to urban areas in search of better opportunities than what is proffered by the countryside. This paper documents the salient role that the remittances generated by the migrants play in sustaining rural livelihoods. The paper presents the vast benefits and poverty reduction effect of remittances on households and the challenges faced in receiving remittances. The latter is often influenced by the methods of transfer used. The demographic profiles of both the remitters and recipients have an inherent impact on both benefits and challenges that recipients face. Informal channel usage is rampant in Zimbabwe and this has been shaped by the structural architecture of Zimbabwe's, social, economic, political and institutional economy.

Interventions to mitigate the challenges and to promote existing benefits include considering and reviving existing government policies on rural development and provide infrastructural essentials like roads, bridges and telecommunications, among others.

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Abbreviations

$	United States Dollar
AIDS	Acquired Immuno Deficiency syndrome
FDI	Foreign Direct Investment
HIV	Human Immuno Virus
IFAD	International Fund for Agricultural Development
IOM	International Organisation for Migration
MTO	Money Transfer Operators
NGO	Non Governmental Organisation
RBZ	Reserve Bank of Zimbabwe
REA	Rural Electrification Agency
SAMP	Southern Africa Migration Project
STDs	Socially Transmitted Diseases
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
WU	Western Union
ZESA	Zimbabwe Electricity Supply Authority
ZIMCORD	Zimbabwe Conference on Reconstruction and Development

CHAPTER ONE

ORIENTATION OF REMITTANCES STUDY

1.1 Introduction and background to remittance study

Remittances by international migrants to their respective countries of origin constitute the largest source of external finance for developing countries after foreign direct investment (FDI). Remittances amounted to $125 billion in 2004 (Giuliano, et. al., 2006) to a World Bank estimate of $221 billion in 2006 and $240 billion in 2007 (Ratha, et. al., 2007). While it is the case that internal remittances often constitute smaller sums of money than their external counterparts, their benefits tend to accrue to larger numbers of households as the migration costs associated with sending a migrant to other locations within the country are much lower for households than the costs of sending a migrant abroad (Deshingkar & Aheeyar, 2006) and (Maimbo and Sander, 2003).

At a national scale remittances can be used to improve a country's credit worthiness. To some countries like Swaziland, Lesotho, Togo and Nigeria remittances receipts are greater than official development assistance (UNDP, 2010). The exact magnitude of remittance flow to Zimbabwe is unknown due to the informal channels, which are sending through bus drivers, recipient fetching, remitter delivered and hometown associations, through which they are transferred. However, formal transfers through Homelink, in 2006 amounted to US$ 5.2 million and around US$23.9 million in 2007(RBZ) and it is estimated that Zimbabwe received US$361 million in monetary transfers in 2007(IFAD). Remittances from Zimbabweans in diaspora are continually increasing since the introduction of multiple currencies. Multiple currencies use eliminated the exchange rate distortions and encouraged non resident Zimbabweans to remit through the formal channels. During the first half of the year (2011), a total of US$139 million was remitted compared to US$115.7 million during the same period last year (Biti, 2011).There is a cause and effect relationship between migration and remittances. Remittances are a result of migration and remittances send to communities would trigger migration. Thus migration and remittances are two in one. Rural to urban migration is very pronounced in Zimbabwe just like in any other African economy, both men and women have embarked on a mass movement to urban areas in search of better opportunities than what exist in the rural areas. People are migrating from the rural areas to towns and cities to realise their own ambitions and support their families. The remittances they send are fundamental in sustaining ties with the rural folk as well as acting as a livelihood strategy to the recipients.

Labour migration, both across and within national borders, is certain to deepen. Lewis (1954), Ranis and Fei (1961), Harris and Todaro's (1970), theories envisaged development as the transfer of labour from the informal subsistence sector to the more productive industrial sector. Mhone (2000) and Kanyenze (2008) were supportive of these propositions and presented that people are drawn from the rural set up to urban areas by better opportunities, like, employment; better wages, education and health facilities that the metropolis offer, compared to what the rural offers. Consequentially, remittances that are a result of this migration are placed to be at the forefront of development discourse in the future (Sherbut, 2009), in sustaining rural livelihoods and development.

The surge in migration is informed by the important role that the remittances generated by migrants play to livelihoods in rural communities. Urban to rural remittances are fundamental in sustaining rural livelihoods as they directly benefit the recipients and this has been pronounced, especially during protracted socio-economic and political woes that haunted Zimbabwe from 2003 -2009. Lack of strong institutions and policy neglect in Zimbabwe and some African countries to promote urban to rural remittances flows have perpetuated and aggravated rural poverty and under-development. The researcher finds it imperative to assess and recognise the role and potential developmental benefits brought by remittances to households in rural communities. This is achieved by evaluating urban to rural remittances, usage and the challenges faced by the households in the rural Ngondyore community.

1.2 Problem Statement

Households in rural communities face some challenges in receiving remittances from friends and relatives from urban areas. Such challenges include late delivery, theft and high transfer charges and this often leads to rural underdevelopment. Evaluating urban to rural remittances with regards to benefits that accrue to rural communities has also been given miniature research attention in African communities. Studies conducted in African countries and world over have focused more on the nexus between remittances and development at an international level, neglecting effects of local remittances at grassroots level ,that is, at family, household and community level. Although these macro-level approaches to migration and remittances provide information about national patterns and inherent effect at global level, they hardly show what these remittances mean for migrant families. This has perpetuated rural poverty and underdevelopment. This study, which takes a micro approach, focuses on the significance and dynamics of cash remittances and how the inherent benefits and challenges that recipients face influence rural development, in Ngondyore community, in Bikita District, in Zimbabwe. The study covers the period 2010 to 2011.

This study situated within the rural development context may be of value to Non Governmental Organisations (NGOs) involved in relief and capacity building, rural development, policy makers and government departments especially Ministries of Finance, Economic Planning, Small to Medium Enterprises, Social Welfare, the corporate world, that is, banks and financial institutions in making informed interventions and rural households themselves. This is in line with what Dr Kanyenze said, addressing at the Just Business

Conference held in Harare that, "...there is need to leverage remittance flows for development by addressing data issues such as recording systems and ensuring remittance through formal channels and actively capacitate the migration development unit in relevant ministry of Economic and Investment Planning to be able to effectively coordinate migration and remittances issues". (The Herald 4 October 2010).

1.3 Purpose Statement

The purpose of this research is to establish and evaluate the benefits and challenges faced by recipients of urban to rural remittances and the effectiveness of urban to rural remittances to rural households' development. It is the objective of this study to expose the gap in knowledge which exist around benefits and challenges encountered by recipients of domestic remittances and how they influence rural households' level of development.

1.4 Research Questions

1. What are the challenges faced by households in the community in receiving remittances?
2. To what extent does migration influence scale of urban to rural remittances?
3. To what extent do remittances influence rural development?
4. What are the channels used to transfer remittances?
5. What is the composition of households' income, uses and benefits from remittances?
6. What is the role of culture and demographic profiles of remitter and recipients on remittance flow?

Given these thematic research questions, the objectives of the research, then are to:

- To determine the challenges that remittance recipients face in the transfer process.
- To determine the influence of migration on remittances
- To determine the value of monetary remittances received by rural households in Ngondyore community.
- To establish the major channel(s) used in transfer and receipt of remittances.
- To determine how to improve the methods of transfer used to best advantage.
- To determine how culture and demographic attributes influence the desire, magnitude, value and frequency of transfer.
- To determine the major source of income for rural households in Ngondyore community.
- To propose policy and programme packages and interventions that are required to promote and ensure a smooth remittance process.
- To add to the body of knowledge on remittance discipline at micro level, this is often overlooked by most researchers.

This research is a micro-level study. The micro-level approach was pursued because the effects of remittances can be best understood only when the process is placed within its local context (Rahman, 2000). Micro-level approaches show the impact of remittances on the family and local communities, and the patterns of remittance flows between individual migrants and their origin. Understanding the micro-level impact of remittances, especially the underlying variables contributing to, or impeding the development potential of remittances at the micro-level, can help policy makers to formulate and implement policies and programmes to harness this development potential (Sherbut ,2009) and (Rahman ,2000).

1.5 Key Assumptions of the research

Remittances discipline involves two facets, which are, the sender and the receiver but this study focuses on the receiver. However the researcher had the priviledge of interviewing some remitters, as the survey was conducted over Easter Holidays and most remitters had gone to the rural areas. The study is confined to a rural community in Zimbabwe and for the time period 2010 to 2011. Observation and questionnaires were administered in Ngondyore Community in Bikita District. Even though it is difficult to extrapolate findings from this research to other communities due to the small sample size, it is however, important to note that the research do provide findings and policy proposals that will help policy makers, corporate sector and those mandated to develop rural areas in making informed decisions and put mechanisms that will promote the development potential of remittances. The study area was chosen by the researcher as it provides the convenience and the researcher had some experience about the area. The researcher acknowledges that remittances can be monetary (cash) or non cash (in-kind), however the research focussed on cash remittance transfers only and their effect to livelihoods in Ngondyore community. Notwithstanding the above the following are some key assumptions of the research:

- Urban to rural migration has an effect on remittances and this is based on the assumption that high volume of migration will result in more remittances being send to the community of origin.
- Remittances have a direct influence on rural development and this is based on the assumption that the more the remittances send the well up the receiving community will be.

- Formal and modern ways of transfer increase the volume and propensity to send than traditional mode of transfer and this is based on the assumption that the desire to remit is high when transfer modes are cheap , convenient and hassle free than when the process is slow and expensive.
- Demographic attributes and culture have an influence on remittances and rural development and this is based on the assumption that the stronger the family ties and cultural obligation the migrant has with the recipients, the more frequent and high volume and value of remittance that he or she will transfer.

1.6 Validity and Reliability

Precise and accurate questions that were presented enhance validity and reliability of findings. Clear and concise questions and pre- testing were used to improve reliability in this survey. Validity suggests truthfulness and refers to how well an idea fits with actual reality (Neuman, 2011, p.190). "Reliability is the degree to which measures are free from error and therefore yield consistent results", (Zikmund, 2003, p.300).Neuman (2011, p.188-189) defines reliability as, "dependability and consistency''. Inference from recent and pertinent literature on remittances strengthens reliability. Three (3) households from the entire sample area were given questionnaires for pre testing. It is however important to note that even though enough effort was employed in order to enhance validity and reliability, the smaller sample size limits generalisability of the research findings.

1.7 Ethical Considerations

There are challenges and ethical issues associated with doing research at household level. In this study households were asked about highly sensitive issues such as their financial decision-making and their experiences and so ethical concerns were important and needed to be handled with care. The researcher did not force any one to respond to questionnaire and requested consent from respondent by way of completing an informed consent form. Respondents' views and perceptions are kept confidential .Information is not going to be revealed unless prior permission is given by respondents. Zikmund (2003, p.79) defines informed consent as "the expressed or implied acknowledgment waiving an individuals' right to privacy when he or she agrees to participate in research study. Respondents' views and responses are kept confidential and such information is restricted to public consumption unless prior permission is sought from the respondents.

1.8 Significance of the Study

It is the researcher's hope that the findings and recommendations provided here will help institutions and parties involved in relief, capacity building in rural communities, as well as policy makers and government ministries such as Ministries of Finance, Small to medium Enterprises, Social Welfare and the corporate world in making informed interventions. The results will ultimately benefit rural households themselves, if such informed decisions are made and implemented.

1.9 Justification of the study

There is very little scholarly or written evidence on the role of domestic or urban to rural remittances in sustaining rural livelihoods. Existing research is scant in covering the inherent benefits and challenges that rural recipients face, this micro-level study seeks to fill that gap.

There is also little empirical research on the role of remittances in rural Zimbabwean communities, despite attempts by Sachikonye and Bracking (2007), Chimhowu (2005), Maphosa (2007), Mambo (2009), Mawadza (2007), to explore this discipline, a lot need to be done in providing baseline data and expanding on this often overlooked discipline on local remittances and explore their value adding and developmental effect to rural livelihoods.

1.9.1 Research methodology adopted

A quantitative and qualitative research methodology was applied in the research. Self administered questionnaire survey and observation were the employed instruments in gathering data and providing answers to the thematic research questions highlighted above. Ten (10) questionnaires were administered to remittance recipients in the 10 villages that make up Ngondyore community in Bikita district in Zimbabwe. The respondents were chosen on convenience and random pick of one respondent per village, was made to ensure representativeness across all the villages. Observation was done alongside survey questionnaire to complement and reveal some textual information that was not covered by survey questions. Data are presented in the form of graphs, charts, percentages based on key themes and patterns as dictated and guided by the research questions and responses to such questions. Ethical considerations are fundamental in this research that asks about households' income and their perceptions of benefits derived from remittances, to advance this, informed consent forms were given to respondents and no one was forced to participate in the research. The research has its own shortcomings that include the small sample size that makes it difficult to extrapolate and generalise the research findings, difficulty in measuring remittances income as well as the fungibility of remittances income.

1.9.2 Description of the study area

Ngondyore community is a chieftainship under Chief Mukanganwi, in Bikita District, and lies about 120 km south east of Masvingo Town. This community lies in agricultural farming region three (3) receiving below average rainfall between 400-600mm (Central Statistical Office, 2003). Land quality, little rainfall, rugged terrain, lack of irrigation and extension services make agriculture a non viable activity in the area. Livestock farming is very limited, there is no household in the study area that has more than five heads of cattle and goats are usually affected by bad rainy season and they usually die in numbers. Donkeys are kept as draught power and for transporting goods and there are no industrial crops except for cotton farming which is done at a very low scale. The bulk of households in this community are low income earners, with some in chronic poverty, failing to live on US$1 a day.

Farming activities in the area are at very low ebb and general farming that is done is only meant to support subsistence existential needs, no major cash crops are farmed in this area. Lack of farming land has pushed a lot to build and farm on mountains and hills. This however has exposed these farmers to poor harvests as monkeys, baboons and birds often feast on crops. The protracted drought that has hit the community since 2000 has brought despondency to villagers and this and other factors have brought about a mass exodus of people to urban areas. The transport infrastructure is very weak and there are hardly vehicles that move in this rugged terrain and poor slippery gravel roads, (see pictures below). Telecommunication and cellphone usage is not yet pronounced despite the rise in use of cellphones in other rural communities alike. This is attributed to affordability as well as lack of electricity facilities in the area.

The community is shaped by an almost homogeneous culture and language structure. What differs amongst the community men are the income levels, family sizes and literacy levels among other things.

Rugged Ngondyore area-Ngondyore School

Subsistence existential farming

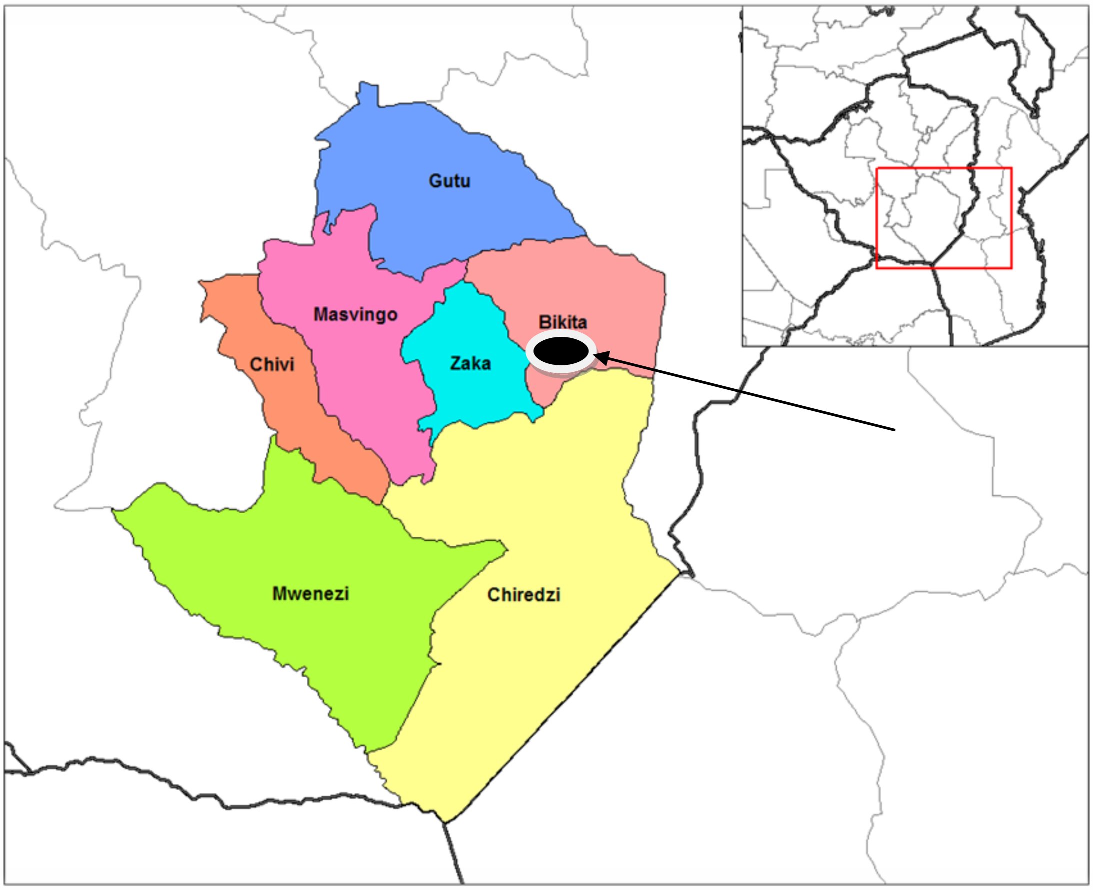
Dongas on the rough and slippery road

Homestead and farming on rocky Mountains

Pictures taken by the researcher on the 25/01/2012

The area is about 10 kilometres from Bikita business centre where there is a Post Office and a Police camp, some few shops and this is the business hub for surrounding communities. Ngondyore community is bordered by Tugwi to the south north and Rozva River that runs on the north east and is about 4km from Ngondyore primary school which is at the centre is this community. These rivers are often flooded in summer as the confluence of these two rivers is in natural region one (2), characterised by heavy rains. There is a very shallow and low bridge over Rozva River which makes it difficult for people, even scotch carts and cars to cross over either side during rain seasons. Most families took advantage of the local Ngondyore primary and the recently built Fambidzanayi Secondary schools to acquire some educational qualification .Some went on to attain tertiary qualifications in some colleges and universities across the country and beyond borders. The community thus does also contribute to the high literacy and education level that the nation touts about. This community is made up of ten villages, which are, Chikafu, Chitumba, Hunenga, Mugorogodo, Murozvi, Musariri, Tsinda, Zvorufura, Bheka and Gore. The map below shows the position of this community, coloured in black.

Figure 1 Masvingo Province's Districts showing position of Ngondyore Community in Bikita



_Source: Wikipedia-_*Created by* _Rarelibra_ *18:30, 28 September 2006 (UTC)*

The choice of this area is based on that much of the research which was conducted recently especially by Maphosa (2007) on remittances in Zimbabwe focused on the southern parts of the country and one by Mawadza (2008) and Bracking and Sachikonye (2008 and 2009) focused on the impact of remittances to urban livelihoods whose social, economic and political architecture is different from the area under study. Considering the budgetary and time constraints, it was deemed also advantageous to pursue research in a location where finding an adequate survey sample population would be easiest and Ngondyore community offered that convenience to the researcher.

1.9.3 Highlights of Research Findings

There were 15 remitters in total .The bulk of these remittance senders are male migrants, who constituted 73.3% of the sampled households. Female remitters constituted 26.7% of the total. Eighty (80) percent of the sampled households used informal remittance channels for money transfers. Twenty (20) percent of the sampled households used predominantly formal channels were bank accounts were maintained, their key challenges were not as vast compared to informal channels users. The report shows that of the ten recipients, 70% percent were females and 30% males and out of the 30%, 10% represented a child headed household recipient .While this report does not do much in documenting gender dimension and influence it shows to an extend how gender dimension play out in the remittance process and coincides with the conventional assumption that more mothers or females tend to be recipients than males.

The use to which remittances are committed is fundamental as it spells the benefits that accrue to recipients and that often feeds into promotion of rural development. In this study, recipients ranked consumption, education, health, payment of milling charges, land tax, and lobola as the most important uses to which remittances are dedicated. The report shows that remittances have a poverty reduction effect and this is well documented and supported by pertinent literature outlined in the literature review section of this write up. Remittances are the mechanism through which the rural and the urban family members keep ties and with no doubt and reproach, contribute to the improvement of status of recipient households.

This report shows that the bulk of recipients use informal channels and the rural recipients in Ngondyore community do face some challenges in receiving remittances. There are two broad types of remittances transfer channels: formal and informal and there is a very inseparable relationship between the channel and possible problems that recipient's experience. The bulk of the challenges are informed by the transfer channels used. Formal system is often criticised for high transaction costs and exchange loss. Informal remittance transfer channels exist outside the regulated banking and financial channels, (Buencamino & Gorbunov, 2002). The challenges highlighted were lack of transport network to connect to bus stations and Post Office that services part of the district, high charges by the drivers, over flooding of Rozva River during the rainy season and poor communication network. The well up families indicated lack of sophisticated transfer channels like the mobile to mobile money transfer, this however calls for state and private sector intervention in the area to provide essential infrastructure base required for such sophisticated mode and method of transfer.

In order to take advantage of the potential benefits and limit the challenges experienced by remittances recipients, the report outlines policy recommendations and some programme interventions which are inter alia:

- Establishing financial services and ecocash agent at the local business centre in rural Ngondyore community
- Establish and put in place a transport and infrastructure system that enables people to move to centres.
- Reducing transaction fees on formal remittances, through government regulation.
- Encourage savings and leveraging remittances for development.
- Promote person to person transfer through mobile phones like the M-Pesa in Kenya.

1.9.4 Definition of Terms

It is imperative to provide some clues and definitions of key terms that are in the research paper. The following paragraphs are dedicated to providing such definitions and highlights on critical keywords. The researcher adopted some definitions from other scholars as presented below.

1.9.4.1 Livelihood and Income

Livelihood refers to "the activities, the assets, and the access that jointly determine the living gained by an individual or household, (Ellis 1999, 2). A livelihood encompasses income, both cash and in kind, as well as the social institutions kin, family, compound, village and so on, gender relations, and property rights required to support and to sustain a given standard of living, (Ellis, 1998, 5). Livelihood is more than just income; (Lipton & Maxwell, 1992). Income refers to the cash earnings of the household plus payments in kind that can be valued at market prices. The cash earnings component of income includes items like crop or livestock sales, wages, rents, and remittances. The in-kind component of income refers to consumption of own farm produce, payments in kind, for example, in food, and transfers or exchanges of consumption items that occur between households in rural communities, (Ellis, 1998). A livelihood also includes access to, and benefits derived from, social and public services provided by the state such as education, health services, roads, water supplies and so on, (Lipton & van der Gaag, 1993).However due to the persistent drought and evidenced deagrarianisation and depeasantisation of rural agriculture, rural farm production as an income stream in Ngondyore community is no longer tenable. Both crop and livestock farming has proved to be adding little value to households' incomes and this is due to recurrent droughts that have hit this part of Zimbabwe since 2000. Farming on its own is unable to provide a sufficient means of survival and people have resorted to remittances income as their major source of income and livelihood diversification strategy.

1.9.4.2 Household

A household is a single decision-making unit, maximising its welfare subject to a range of income earning opportunities, and a set of resource constraints, (Ellis,1993). Households with members working away in urban centres or abroad are often referred to as 'split families', (Rempel & Lobdell, 1978). The definition of the household can be used to capture diversity of social interactions as well as diversity of location. The household or family social unit has been described as a 'multipurpose unit,' (Bryceson, 1996).

1.9.4.3 Remittances

There is no agreement on the definition of remittances and this makes it difficult to guesstimate the value of remittances send to and received by a particular country or region, (Taylor & Fletcher,2001).Many definitions confine remittances to cash or financial transfers, however remittances can also be in cash and kind (van Doorn 2002). Kapur (2004) defined remittances as money sent by migrants to family and friends on whom there are no claims by the sender, unlike other financial flows such as debt or equity flows. Remittances are also thus regarded as some form of implicit loan; however, while development loans come with a liability and obligation to pay interest, remittances do not. Taylor & Fletcher's (2001) defined remittances as both monetary and non cash transfers such as consumer goods, capital goods and skills and technological knowledge. Adams et al (2010) defined remittances as the money and goods that are transmitted to households by migrant workers working outside of their original communities. This research focused on cash or monetary remittances.

1.9.5 Limitations of the study

The research has its own shortcomings. The small sample size of ten (10) households, while adequate for a modest pilot study, makes it problematic to extrapolate the research findings or to offer broad generalisations and, or, replicate findings. According to Falk and Guenther (undated) one cannot make generalisations from results when the sample is not statistically representative of the universe. The randomised sampling technique was not true in the statistical sense. Another limitation of the study regards the fungibility of remittances. As de Haas (2007) argued, remittances are nothing more than a certain type of income that can be used in the same way as any other type of income (i.e. wages earned from labour),so households might find it difficult to distinguish the ways in which they use remittances income from the ways in which they utilise other income. Remittances are also difficult to measure precisely due to the informal channels and unregulated channels through which they are transferred and without a true figure it will be difficult to formulate and implement policies and programmes that will take advantage of the remittance flows.

The duration of the fieldwork was limited by financial and time constraints which prohibited more in-depth fieldwork. A potential weakness of the survey methodology includes failure to take into account the statistical requirements for randomised sampling. The research is therefore a baseline study, useful for building large-scale projects in this expanding field of remittances. This report mainly addresses remittances, and does not examine in detail the push and pull forces behind rural to urban migration. Another limitation is that the study did not give a comparative analysis of the feelings, views and living standards of both receiving and non receiving households. The research deals with sensitive issue that of income and a potential limitation is that respondents might not disclose the exact figures or level of income they receive and would represent a Hawthorne effect where they tend to change behaviour during survey.

1.9.6 Structure of the report

The research report is organised as follows: Chapter one (1) provides an overview of the research problem, purpose statement, and research questions and description of the study area. Chapter (two) 2 provides a review of recent and pertinent literature on key issues around remittances which includes definition of remittances, transfer channels, uses, role and challenges. Chapter (three) 3 presents the research methodology that was applied, sampling procedure and, some issues on ethics, validity and reliability of research findings as well as questionnaire design. Data is presented in Chapter (four) 4, in the form of tables, graphs, percentages and charts. Statistical, thematic and descriptive analysis of data is also done in this chapter. Chapter 5 proffers conclusion and recommendations on policy and other interventions that seek to ameliorate the challenges and take advantage of remittance flows and foster livelihood development and sustainability.

1.9.7 Conclusion

The chapter outlined the background to the remittance discipline, provided a description of the study area, problem and purpose statements and overall objectives of the research. Time was availed to present the research questions and the key terms were defined in this chapter' write up. Some highlights of the research methodology adopted and findings were also presented in the chapter. The chapter also covered issues around validity, ethics, assumptions and limitations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

A literature review is a body of text whose objective is to review the critical points of historical and current knowledge on a particular topic or issue. Its ultimate goal is to bring the researcher and the reader up to date with current views on a particular topic. A literature review is based on the assumption that knowledge accumulates and that people learn from and build on what others have done (Neuman, 2011). Badenhorst (2007, p. 42) asserted that “the literature review section is the place where previous research is discussed and current research is located”. This chapter of the research draws on a wide range of published and unpublished literature sources on remittances definition, challenges, usage and their role and influence in developing and sustaining rural livelihoods.

2.2 Remittances defined

There is no agreement on the definition of remittances and this makes it difficult to guesstimate the value of remittances send to and received by a particular country or region, (Taylor & Fletcher, 2001). Remittances can also be in cash and kind, (van Doorn ,2002). Kapur (2004) defined remittances as money sent by migrants to family and friends on whom there are no claims by the sender, unlike other financial flows such as debt or equity flows. Remittances are also thus regarded as some form of implicit loan; however, while development loans come with a liability and obligation to pay interest, remittances do not .Taylor & Fletcher’s (2001) defined remittances as both monetary and non cash transfers such as consumer goods, capital goods and skills and technological knowledge. Adams (1991) defined remittances as money and goods that are transmitted to the households back home by people working away from their communities of origin. This research focused on cash or monetary remittances.

2.3 Reasons for Migration

The socio-economic and political quagmire that Zimbabwe has gone through since year 2000 led to massive exodus of people, the young, able and productive from the country to international destination (UNDP, 2010). International migration from Zimbabwe is widely documented and the remittances both cash and non cash that the emigrants send have helped a lot in keeping recipients' heads above water especially during times of economic crises where there was no food in the shops, fuel, clothing and medical or health facilities. Widgren and Martin (2002),categorises factors that drive people to migrate into three , that is , demand pull factors that includes search for employment and family reunification, supply- push factors which includes low wages, underemployment, fleeing from war, persecution and network factors that includes issues that facilitated movement like transport and communication flows.

In Zimbabwe rural to urban migration has been pushed by the declining economic conditions, rural poverty, low farm income and wages .Recurrent droughts and falling prices of agricultural commodities especially after the dollarisation of the economy that has left rural farmers with no option than to move to towns and cities. The rural worker is enticed to migrate to the urban area in search of work if their expected urban income exceeds their guaranteed rural wage. That is, the choice to migrate depends on a comparison of the expected income from remaining in the rural sector with the expected urban wage, (Lewis, 1954), (Todaro, 1970) and (Mhone, 2000).

There are thus socio- economic, cultural and political factors behind the migration of people from the rural set up to the urban set up. Political persecution is widely reported and many people have moved to towns fleeing from political torture during and after election period in Zimbabwe. Rural to urban and urban – rural linkages, are of great significance in Africa. It is highly evident in Zimbabwe that these links have been invigorated by the increasing vulnerability among rural livelihoods that are characterised by chronic rural poverty as a result of deagrarianisation and depeasantisation of rural agriculture. This is also has been revitalised by the cultural and structural archetype and design of dual formal and informal economies (Potts, 2008), (Mhone, 2000) and (Kanyenze, 2009), where rural folk is drawn to the metropolis by optimism that the urban opportunities outweighs what the rural can proffer. The most conspicuous and highly discernible connection between migration and development is seen through the remittances that emigrants send back home.

2.4 Link between migration and remittances

Migration and remittances are two in one. While remittances would not occur if those sending them had not migrated in the first place, migration is often motivated by the desire to improve the welfare of those left behind, mainly by the remittances sent by the migrants. Migrants may send on a regular basis to support their families; others remit more sporadically (Pozo, 2007). The upshot is that remitting home is part and parcel of migration especially for migrants whose families back home are struggling to live decent lives. Thus remitting is almost inseparable from migration. Rural to urban movement has been pronounced during the time of socio-economic and political crisis in Zimbabwe. Limited employment opportunities, dwindling agricultural income due to protracted drought which resulted in loss of livestock and accentuated poverty in rural communities in Zimbabwe ultimately led to mass exodus of the able bodied, the educated, the young and productive from the rural areas to urban settings for better prospects.

2.4.1Phases of rural to urban and urban to rural migration in Zimbabwe

It is usually very common for people to move to urban settings from the rural areas in search of better opportunities. The 1981 ZIMCORD document and its implementation encouraged non farming families to move to urban areas. This trend, however, changed with economic meltdown, living conditions in urban areas worsened and this discouraged rural to urban movement. The drought of 1991-1992 forced people to move to urban settings however the deep retrenchment due to the failed Economic Structural Adjustment Programme saw thousands and thousands being retrenched(UNDP,2009) and (Scoones, et. al.,2006). There are also some seasonal rural to urban and urban to rural migration , where men move to towns to seek short term employment usually in the informal sector and go back to rural areas to farm during the rain season. They normally do this to raise money to buy farm inputs, (Scoones, et. al., 1996).Over 200 000 commercial farm workers lost their jobs and it is expected that over half of these people migrated back to the rural areas in 2000, UNDP (2009).

In May 2005 the government embarked on Operation Murambatsvina , a campaign meant to remove illegal structures and according to (Tibaijuka,2005) report over 700 000 were left homeless and most of these again had to migrate back to rural areas (UNDP,2009). Before and after the presidential elections in 2008 most people moved from the rural areas to seek refugee from political persecution in urban areas and some also crossed borders. Excessive economic meltdown, coupled with recurrent droughts however, left communal dwellers again with no option than to move to urban areas in early 2009. The economy was dollarized in 2009 and again most people who had left jobs, reconsidered going back to work, since then until now.

2.4.2 Determinants of remitting behaviour

There is a plethora of socio- economic, cultural and political factors that shape and determine the remitting behaviour. The amount, frequency, and transfer channels are influenced by the each one or a mix of these socio economic, political, and cultural and more importantly the demographic architecture of both the remitter and recipients that includes among others: education levels, marital status, gender dimension, duration of stay in destination area and family ties. Faini (2003) argued that highly educated migrants tend to remit less as their migration is often of permanent nature. Bendixen and Onge, (2005) found that the majority of remitters in the United States are Mexican men with low incomes and low education levels. Osili (2007) highlighted that income level is a major determinant of remitting behaviour, and posited that migrants with high income will remit more than those with low income, other things being constant. Duration of stay in urban area is also a determinant of remitting behaviour. Proponents of the remittance decay hypothesis posited that the longer the migrant lives away from home, the less likely it is for them to remit funds and this view is supported by (Rodriguez, 1996).

Remittances unlike FDI or development assistance are not pro-cyclical, that is, remittances flows are less subject to wild fluctuations in economic activity affected by fluctuations. The justification is that remitters even in periods of low economic activity posses a detailed understanding of the needs of family and thus keep sending. This is often backed by the cultural dimension and motivation to remit (UNDP, 2010).

Rural households' income varies from time to time depending on the outcome of farm and non –farm production and the prices obtained for output sales. Income also varies seasonally, monthly and quarterly depending also on the timing of remittance transfers. The variations also depend on the motivations and determinants of remitting behaviour. Lucas and Stark (1985) coined the determinants of remitting which were further advanced by Chimhowu (2003) and these theoretical explanations for remitting behaviour are categorised into three schools of thought, risk sharing, altruism and a combination of risk sharing and altruism. In the altruistic motive, migrant send money and goods to improve the well-being of their loved one by giving them additional income (Lucas & Stark, 1985). Remittances have proven to be the major source of household income (Bracking, 2009).However it does not mean that migrants will definitely remit back home , some might not afford as they join a informal sector and cannot even raise enough to sustain themselves, some may also be devoured (Maphosa,2007).

Remittances are also regarded as some form of implicit loan that need to be repaid. This posits a very strong cultural dimension were family members are cemented together by cultural connections. Children often feel indebted to their parents and guardians and vow to help them through remittance to enhance their livelihoods. Lindley (2009, 1324) in support of this asserted that:

> "Many felt that they owe their parents, and often older brothers or uncles, for earlier material and non-material assistance: for bringing them up, helping with their education and sometimes paying for them to go overseas. However, in most cases, the sense of debt was rather diffuse and indefinite, resonating with the anthropological concept of generalised reciprocity typical among kin, i.e. an indefinite reciprocity involving no overt reckoning of debts.''

Goldring (2004) argues:

> "Family remittances can be understood as having a social meaning that involves expressions or claims of membership in a family or social network. People send money as part of a social obligation and to affirm their ongoing role as members of a family or social network. The social regulation regime that shapes these exchanges is based on ideologies of kinship, gender, and intergenerational relations, which are in turn part of broader social and cultural processes."

Mooney (2003) summarises that:

> "Some aspects of migrants' human capital appear to predict remittance behaviour. Migrants with higher levels of education are less likely to send remittances to their places of origin; though when they do remit, the amounts are greater . . . migrants with higher education are more likely to spend remittances and savings on both production and housing…'

Remitting appetite is also informed by the need to help as well as recognition of the family ties between the migrant and those left in the migrant source area. This is supported by Kapur (2004, 7) that "remittances strike the right cognitive chords. They fit in with a communitarian, third way approach and exemplify the principle of self-help..."

2.5 Methods of transfer

Remittances are received or transferred through various channels or networks and there are the traditional and modern ways of transfer. The modes through which remittances are sent is also a reflection of level of income or socioeconomic status of the migrants as the poor migrants choose the cheaper channels.

2.5.1 Traditional (informal) mode of transfer

Despite the growth of formal transfer systems and mechanisms in Africa and Zimbabwe in particular, considerable amounts of remittances continue to flow through informal channels, outside government's supervision and regulatory framework. The informal economy is an important conduit for households in terms of their sending and receipt of remittances (Bracking,2007).In their study on Remittances, Poverty reduction and Informalisation of household wellbeing in Zimbabwe, Bracking and Sachikonye(2007) found out that, 36.3 per cent of monetary recipients made use of an institution, 19.7 per cent of transfers were clearly in the formal sector, with commercial banks and MTOs .Over 58 per cent of households used family members or family couriers to send and receive money, which is a highly informalised process. Informal transfer mechanisms go back centuries and are widely used in most parts of the world, in Asia examples include *hawala* and *hundi* in South Asia, fei ch.ien in China, Phoe kuan in Thailand, *Hui* in Viet Nam , *casa de cambio* in South America (Kapur,2004).In Africa informal channels like *matatu* couriers in Kenya, (Sherbut,2009) *amalaisha* (Maphosa,2007) between Zimbabwe and South Africa are common. *Amalaisha* is Ndebele name which refers to couriers from

South Africa to Zimbabwe is a well pronounced way of transferring remittances, not obliterating the use of bus drivers for both intra and international remittance transfers. In Shona vernacular the process of giving bus drivers, fellow countrymen and anyone who is not part of the family monetary or non financial remittance is called *kubatisa*.

In Zimbabwe, due to the economic crisis, financial institutions' operations in rural growth points died down. This has paved way to the dominant bus driver transfer, personal transfer and recipients fetching the remittances themselves from remitters in towns and cities. Remitters can choose to deliver the remittances and this is often cheap and risk free than when they send fellow community men. Recipients may also fetch in person the remittances from the remitters. Though not quite documented in literature but most often women , wives , whose husbands work in the urban areas normally visit them during the winter and off the rain season and would bring remittances to the rural areas usually towards the rain or ploughing season.

2.5.2 Modern (formal) modes of transfer

Sophisticated channels, like Western Union money transfers, Homelink introduced in April 2004 in Zimbabwe by the Reserve Bank and other transfers are common for international transfers. Urban to rural transfers can be done through banks, but in most African rural settings sophisticated transfer channels are less pronounced if not nonexistent. Remittances to Kenya are often sent through commercial banks using electronic funds transfers, telegraphic transfers and bank drafts. A website based mode of transfer known as PostaPay was also introduced recently. Transfer networks or money transfer operators (MTOs) like Western Union and bank transfers are less common (Sherbut, 2009). In 2007 Safaricom which is a joint venture between Telkom and Vodafone introduced a person to person transfer of internal remittances using cellphone SMS a transfer service known as M-Pesa, (UNDP, 2010) and (Morawczynski, 2008). In Zimbabwe until recently such systems none existed, save for the *skwama, texta cash* introduced by Telecel in conjunction with Central African Building Society (CABS) and two other commercial banks, in January 2011, and *Eco Cash* introduced by Econet Zimbabwe in September 2011, (The Zimbabwe Independent 03 September 2011).

Ecocash is very prominent cash transfer facility that has been introduced by Zimbabwe's largest mobile network provider, Econet and has been widely accepted by subscribers and non subscribers due to its convenience in money transfer. This has made quick transfer of money within the borders of Zimbabwe. In order to be able to send or receive money one has to be registered with Ecocash and required for registration are the national identification, cellphone and a copy of the identification. Upon registration the user will get a pin number that he or she will be free to change. Registration is free at any Econet agent. Once registered one can start to send and receive money across all networks within the country. One can deposit into his or her Ecocash wallet any amount with a minimum of US$5.00 and just follow the easy steps that are prompted on the cellphone to send money. At the other end the receiver will receive a text message confirming the amount of money that is being received, the name of the sender and the new balance in his or her Ecocash wallet and the next step will be just to visit the nearest Ecocash agent to collect money. Ecocash agents are generally post offices, supermarkets, tuck shops and can also be found registered fuel outlets scattered across the country. According to Ecocash website this is a fast, reliable modern way of sending and receiving money within Zimbabwe's boundaries and does not call for sophisticated infrastructure and within a few minutes transactions are completed. A registered person is charged 2% of the amount being send and the receiver is charged the same. However if money is being send to and by a non registered user , 7% of the amount is charged to both ends. The limitation of using Ecocash is that one cannot send an amount more than $200 at one goal.

2.6 Benefits and uses of Remittances

The consumptive nature of remittance need not be downplayed, remittances are primarily utilised by households to meet basic needs , they are first and foremost financial tools that help guarantee a household's food supply, Sherbut (2009,37).Remittances can cushion households against unforeseen income shocks such as loss of jobs and the death of non-migrant breadwinners (Ratha et al,2007). Remittances also provide a source of consumption income that can be used to maintain regular levels of household spending. Jiménez (2009) affirmed that families still spend a large proportion of their income on food. A study on remittance use in Somaliland by Ahmed (2000) suggested that remittances are used by households as a means to pursue immediate consumption i.e. purchasing clothing and food. The study also showed that remittances can cushion households in rural locations with insurance against crop failure, illness, sudden price collapses, displacement and an overall loss of income. Remittances, thus act as a hedge against the downside risks. Sherbut (2009) in a household survey in Kenya revealed that 100% of surveyed households used remittances to acquire basic items like clothing and food, 83% of households used remittances as a means of paying school fees and purchasing school uniforms and textbooks for their children, 75% of surveyed households used remittances to invest in their businesses, 60% of households used remittances to make housing improvements and 53% used remittances to purchase agricultural inputs. Only six of the surveyed households claimed that they used remittances for productive investment. A study by Maphosa (2007) focusing on the southern districts of Zimbabwe showed that food consumption took the greatest chunk, followed by education, with health and agriculture constituting low percentage of total household remittance income. Barajas et al (2009) posited that remittances can help to lift people out of poverty by supporting a higher level of consumption. Calero (2008) in a related study in Ecuador explored that remittances increase school enrolment and decrease the extent of child work. This view was supported by

Jongwanich (2007,6) who stated that "over and above physical investment, remittances could also help to finance education and health, which are also key variables in promoting long-term economic growth". Yang (2004) showed that remittances lead to improved child schooling, reduce child labour, increased education expenditure, and facilitates investment and Sen (2004) contended that remittances significantly improve poor people's freedoms to be healthy or educated. Edwards et al (2003) examined the effects of remittances on education in El Salvador and reported that remittances have an important effect on school retention. In Zimbabwe, for instance, households with migrants have less cultivated land but tend to be slightly better educated (De Haan, 2000). At an international scale remittances can also be used to improve a country's credit worthiness and this is evidenced in some countries like Swaziland, Lesotho, Togo and Nigeria that receive remittances that are greater than official development assistance (UNDP, 2010).

2.6.1 Poverty reduction effect

Deshingkar, et. al., (2006), in a study conducted in Kenya found that internal remittances' benefits accrue directly to large numbers of households, due to relative cut in migration costs for urban to rural remittances compared to the costs of sending a migrant abroad. A study held in Punjab by Qayyum and others (2008) showed a negative relationship between remittances and poverty, and thus remittances have a poverty reducing effect to livelihoods in the long run. The results showed that poverty decreased coupled with increase in remittance inflows in the 1980s whereas decrease in remittance inflows during 1990s correlated with increase in poverty. "Because remittances are generally spent on consumption necessities like food, clothing, medicine, and shelter—they help lift huge numbers of people out of poverty by supporting a higher level of consumption than would otherwise be possible,"(Barajas, et. al., 2009). Adams, et. al., (2005) in their study on remittances concluded that remittances significantly reduce the level, depth and severity of poverty in the developing world. Gupta, et. al., (2009) argued that a 10% rise in the inflow of remittances to a given community will lead to a 1% drop in headcount poverty and the poverty gap. Acosta et al. (2007) showed that a 10% rise in remittance inflows will reduce a receiving community's incidence of poverty by 3.5%, in (Sherbut, 2009).Remittances also lead to economic growth (Jongwanich, 2007). Remittances can also lead to higher consumption that can have a multiplier effect on aggregate demand and output (Pradhan et al ,2008,p. 498) .Jiménez (2009) in a comparative study between household receiving remittances and households not receiving remittances in Tlapanalá-Mexico found out that remittances have an inequality and poverty reducing effect amongst households.

2.7 Challenges faced by remittances recipients

Remittance receiving households do face some challenges in accessing remittances from family and friends from urban areas. These problems include the late delivery of remittances, remittances reportedly being missing, wrong parcels or amounts of money being delivered and damage to goods in transit. There are more problems in receiving cash than there are with non-cash remittances (Maphosa,2007).Only a fraction of remittances is transferred via formal channels in Southern Africa (Gupta et al,2009).The high fees that the formal channel operators charge is a deterrent to remitters who want to send money to source regions. In addition to this lack of financial services is also a deterrent to adoption of formal systems, the remitter, due to exposure might have a bank account, but the recipient might not and this makes it difficult for bank transfers, (Gupta, et. al., 2009). The prices charged by transfer channels for example bus drivers and sophisticated channels are too high that they take the greatest chunk of what could go into the recipients' pockets. In Zimbabwe, people in the countryside faced problems in converting from foreign to local currencies. This was worse soon after dollarisation when the rural folk took time to understand the real value of the

US dollar and South African rand. In some cases recipients have to walk long distances to get their monies from Post office, due to poor transport network. Distortion of information due to communication problems leads to swindling of recipients remittances.

2.7.1 Negative implications of remittances

de Haas (2007) basing his study on dependency theory argued that migration leads to the depletion of needed human capital from local labour markets and transforms economically active and stable communities into passive remittance-dependent ones. In a related study Jongwanich (2007.1) confirmed that despite remittance inflows being relatively stable and contributing positively to economic growth and poverty reduction, increase in remittances could have debilitating and degenerative effect on economic growth through the 'Dutch Disease' or dependency syndrome. Even at the household level remittances can have ambivalent effects. In many cases there are mothers who leave behind their own children to take care of children in richer households in towns and cities, but the children of these homecare workers will grow up without the presence of their mother (Kapur, 2004).This obviously has a bearing on child up keep and death of social fabric, despite, the income transfers that these people left behind might get. There are also other economic costs associated with reliance on remittance income that includes idleness among those who benefit. Moreover, it has been argued that remittances may have minimal impact on saving and investment since they are used mainly for daily consumption (Pradhan et al, 2008). Chami, et. al., (2003) reached a conclusion that remittances have a negative impact on growth, because labour market participation decreases as a result of remittance receipt. Nyberg-Sorensen, et. al., (2002) have noted the association between remitted income and inflation, especially in land and real estate prices. In this sample study it was revealed that during the festive season and after bonuses in November and December prices of goods especially at Bikita Business Centre normally doubles. Bracking and

Sachikonye asserted that, the collection of individual actions will end up having unintended effects, which end up contradicting the compassionate intentions. As an example, while every sender of money wants to help their particular relative, when lots of people send money it can mean that the price of goods just goes up and thus is inflationary (Bracking & Sachikonye, 2007).This then means that remittance recipients will price out non recipients, thus are or can be deleterious for non-receiving households, resulting in increasing inter-household inequality (Bracking, 2003).

Young, et. al., (2007) asserted that, remittances increase levels of economic inequality between households in a given area. This inequality often leads to hatred amongst fellow community men. Households receiving remittances are usually better off than their non receiving counterparts in the same community, thus the receipt of remittances by some households and not others, can act as a source of resentment that fuels community tensions and violence. There are several cases of households telling stories of being bewitched because of their economic status in rural societies in Zimbabwe and other African communities. Remittances also have negative implications in that skilled migrants are drawn from rural settings perpetuating enclavity, dualism, rural underdevelopment and sprouting of an informal sector (Lewis, 1954) and (Mhone, 2000). At international level remittances have brought deep brain drain (Kapur, 2003). Brain drain is one of the most debated and researched issues related to migration. When workers migrate, their areas of origin lose on many fronts, there is the loss of potentially positive externalities generated by the educated workers and the productive age groups that often migrate, and there is the loss of potential revenue from the incomes of these people and there is also loss of the young who can provide security to the village. On the other hand, there are potential gains. The flip side is that these migrants may earn incomes in their destination and the remittances they send can be a significant source of income, which is quite evident in the sample area. They also establish important cultural and economic links between their area of origin and the global economy.

Remittances it can be argued can bring about social decay and force people to indulge in socially unacceptable things like prostitution. The costs of migration may be high in social and health terms: long periods of separation cause loneliness and working in industries with poor labour standards exposes workers to numerous hazards. Health complaints are common. Migrants are not fully aware of the health risks at work and often are not in a position to demand protection. Being alone and away from the family may also result in more risky sexual behaviour at the destination and migrants are not fully aware of the risks of exposure to STDs, HIV/AIDS and other diseases.

Bryceson (1996; 1997) provided evidence that rural to urban migration leads to massive deagrarianisation, which rural Sub Saharan Africa is soaked in. According to Bryceson Africa is becoming less agrarian as manifested by rising reliance on non-farm income sources in rural areas. This non farm income is thus made up of remittances. Hugo (2006) observed that remittances have discouraged modernisation of agriculture and leads to more and more outward migration.

2.8 Conclusion

There is no agreement on the definition of remittances, they can be both cash and non monetary in nature and depending on the channels they can be formal and non formal. However formal methods are uncommon. People move to urban areas in search of better opportunities and might remit out of cultural factors which are self interest, altruistic intentions and because they feel they owe relatives in the countryside. The politics and the socio-economic factors also influence remittance processes. Remittances act as a hedge against the downside risks. In the main they have a poverty reducing effect, though there are challenges that people face in receiving remittances. Over reliance on remittances might lead to dependency syndrome and idleness. The presentation to follow will dwell on the methodology designed to establish how the factors mentioned above influence remittances and rural development.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter provides an outline of the research methodology that was used to collect, present and analyse the household survey data. The researcher applied both quantitative and qualitative approaches. Data was collected from households who were selected on convenience sampling technique. A self administered questionnaire and observation, are the instruments that were used to collect this data, observation was only adopted to confirm the reliability of responses from the questionnaire survey.

3.2 Research Approach

The researcher was interested in exploring the benefits and challenges and the overall role of remittances to households in rural Ngondyore community, and applied both quantitative and qualitative research paradigms in the research. The researcher applied qualitative research because the purpose of the research was to describe and explore, the research questions were "what" questions and the sample size was small. The researcher also applied quantitative techniques because there was need to show enumerative and statistical information like the form, frequency and amount of remittances. Quantitative research is advantageous in that it provides objective data collection and analysis and allows for replication (Neuman, 2011) and (Zikmund, 2003). "Mixed method studies attempt to bring together methods from different paradigms. As a methodology, it involves philosophical assumptions that guide the direction of, the collection and analysis of data.

The mixture of qualitative and quantitative approaches in many phases in the research process is thus quite fundamental. Its central premise is that the use of quantitative and qualitative approaches in combination provides a better understanding of research problems than either approach alone", Creswell, (2003). The use of both quantitative and qualitative methods ensured that the researcher gets both quantitative information as well as textual information that figures could not show.The researcher used both open and closed ended questions to gather data, see Appendix 1. This mix is chosen because there is need to ask numerical questions in the form of closed ended as well as open ended questions on household perceptions on benefits and challenges they face. The research runs the advantage of capitalising on the strengths of both the open and closed ended questions. Observation was used to capture textual data that could not be captured by the structured questions.

3.2.1 Research design

A survey was conducted in Ngondyore Community in Bikita District in Zimbabwe see (Figure 1 above). The researcher used observation as a secondary data collection method alongside survey questionnaire. A research design is a master plan that specifies the methods and procedures of collecting, collating and analysing data. A survey which is a common method of gathering primary data was used, Neuman (2011). Zikmund (2003, p. 64-65& 175-176) defines a survey as a “research technique in which information is gathered from a sample of people using a questionnaire”. He noted that survey research has the advantage of being ease, quick, efficient, and accurate. Neuman (2006) asserted that surveys allow researchers to ask a lot of questions about beliefs, perceptions and behaviours. Lindley (2007) notes that remittance studies tend to draw on survey data and focus on the economic dimensions of remittances.

A survey method was employed to provide data, on volumes and patterns of remittance sending and receipt, benefits and challenges faced by recipients. The research seeks to answer “what” question which is descriptive and exploratory in nature and the survey method has been chosen as the best approach to provide answers to the “what” research questions (Yin,1994).Self administered questionnaire survey is the cheapest and can be done by a single researcher,(Neuman,2011).

A survey method is the best where one seeks to study a phenomena at a point in time (Leedy et al,2001).A survey is also impersonal and is not subject to any environmental controls as opposed to case studies and experiments, (Yin,2004). However surveys may be expensive, full of biases and errors e.g. sampling and social desirability errors. Observation always takes place in community settings and in locations believed to have some relevance to the research questions. The method is distinctive because the researcher approaches participants in their own environment rather than having the participants come to the researcher. "Observation is also useful for gaining an understanding of the physical, social, cultural, and economic contexts in which responded live. Observation involves recording observable phenomena in a natural setting and the researcher can assume different roles from being a complete observer to an observer as a participant and being a complete participant", (Baker, 2006).

3.2.3 Data Collection and Sampling procedure

Primary data was collected from 10 respondents, one per each village in the 10 villages that make up Ngondyore Community. Primary data is "data gathered and assembled for the research project at hand" (Zikmund, 2003, p. 175). All households in the ten (10) villages that make up Ngondyore community represented the survey population. Due to some financial and time limitations not all elements of the population were interviewed, rather a representative sample was taken out of the population.

A sample is a subset of the entire population. It has to be representative of the universe. "Sampling cuts costs, reduces labour requirements and is quick and ease in gathering data, and ensures accurate, and reliable results," Zikmund (2003, 369). Ten (10) remittance receiving households were surveyed from the 10 villages that make up Ngondyore community .A questionnaire was administered to the households who were selected on convenience sampling method. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher (Castillo, 2009).Neuman (2011) defined convenience as haphazard sampling where the researcher selects anyone whom he or she easily come across. However respondents may not be representative of the population due to the haphazard manner in which they are selected (Neuman, 2011), (Zikmund, 2003) and (Castillo, 2009).It would have been ideal to consider probability sampling techniques that shows representation across the entire population but due to the cost involved the researcher chose this simple non probability sampling technique because it is fast, inexpensive, easy and convenient. However convenience sampling method is often criticised of its failure to be a replica of the entire population. The researcher relied on the village headmen's registers, and all remittances receiving households were identified from such registers and the names at each village were assigned a number and were put in a hat, and a random pick was done, thus, picking 1 respondent in each village. The respondents' names were then picked at random from a hat. The choice of this random pick is premised or informed by the need to show representativeness across the ten villages, and it is important for the reader to note that this technique was not applied in its true statistical sense (where for example the sample size need to be 30 or more), but was done only to show representation of recipients across the entire sample population. One household per village was selected.

3.2.4 Questionnaire design

The research instruments that were used are observation and a structured questionnaire that asked both open and closed ended questions with the intention of providing answers to the 'what" research questions. Questions were constructed based on the broader research questions, objectives and also the facts identified in the literature review.The questionnaire addressed demographic and household characteristic-related questions,(see Appendix 1), that is, number of people in the household, education levels of household members, occupation, household income levels, etc. The questionnaires contained both structured and unstructured questions focusing on socio-demographic information, earnings, savings, sending of remittances, receipt of remittances, and use of remittances. Questions were asked in Shona in some instances and responses were recorded in English. Questions about the benefits and challenges (i.e. what are the benefits and challenges you face in receiving remittances?), questions on usage i.e. what types of consumption items were purchased with remittances?, questions on household's perception on remittances' poverty reduction effect were given attention to in this research, see the sample of questionnaire that was used to gather data in Appendix 1. A pilot test was done to test face validity of the research instrument and to identify relevance of questions in answering the "what" questions.

Pretesting was done also to ensure that errors in the questionnaire could be minimised as well as to discover confusing questions, assess how doable the research was and this enhances validity and reliability of findings. It was easy for the researcher to conduct the actual research after pretesting as some ambiguous questions were clarified and modified after the pretesting. Pretesting enabled the researcher to avoid tautological questions. Due to time limitation only three members who were also selected on convenience sampling were given questionnaires before the actual research study. This was done two weeks before the actual study and the researcher felt that he should wait for Easter Holidays to conduct the actual study. The timing was crucial in the sense that some important information from remittance senders themselves was sought and it worked in the researcher' s favour , as most remitters were in the rural areas for holidays..

Observation was also done alongside questionnaire survey.Neuman (2011) referred to a case where urban anthropologists observe contents of the garbage dumps to learn about lifestyles from what is thrown away, for example, liquor bottles indicate level of alcohol consumption. Likewise the researcher observed the types of dwelling units, toilet facilities as well as water sources to assess the life styles and this shades a picture on the role of remittances in shaping life styles and standards of living.Observation is defined by Zikmund (2003, 235) as a “systematic process of recording the behavioural patterns of people, objects, and occurrences as they are witnessed. No questioning of or communicating with people occurs”. However the main disadvantage of observation is that it is time-consuming and can be influenced by subjectivity. The researcher only observed physical objects and thus subjectivity and observation bias was kept at a minimal.

Despite its drawbacks, observation was preferred as a data gathering instrument alongside structured questionnaire to complement and reveal some information that would not come out from the questionnaire responses. The researcher managed to gather through observation the physical outlook of dwellings and relate to income, the toilet facilities that households use as well as water sources. At two households there were protected water sources that the remitter attributed to use of remittance income. At six out of the 10 households there were blair toilets that the researcher also attributed to remittance income, thus the development impact of remittance income was discernible through observation.

3.3 Data presentation and analysis

Data analysis involves examining, sorting, categorising, evaluating, comparing, synthesising and contemplating the coded data as well as reviewing the raw and recorded data (Neuman, 2011).The researcher used descriptive analysis. The term descriptive research refers to the type of research question, design, and data analysis that will be applied to a given topic. Descriptive technique was used to present and analyse data as it is primarily concerned with finding out "what is”, .Descriptive research involves gathering data that describe events and then organises, tabulates, depicts, and describes the data collection (Glass & Hopkins, 1984). It often uses visual aids such as graphs and charts to aid the reader in understanding the data distribution. Descriptive studies are aimed at finding out "what is," so observational and survey methods are frequently used to collect descriptive data (Borg & Gall, 1989). Descriptive statistics report summary data such as measures of central tendency including the mean, median, and mode, deviance from the mean, variation, percentage, and correlation between variables. On a practical note the mean or average remittance income was calculated as shown in Table 5.The researcher did not do any statistical test of correlation and variations, but percentages were also used to present and analyse data. The researcher gathered data using a pre-coded questionnaire and presentation was done according to the thematic areas as highlighted in the research questions section.

Data was presented as follows: First the demographic profiles of both the remitter and recipient were tabulated and the interest here was to find out how age, gender family size and education levels influence the process of remitting and receiving remittances. Descriptive and thematic analysis of gender, age, and marital status, household size of both remitters and recipients in the sample show the relationships and patterns and direction of flow of remittances.

Secondly data on income levels and uses of remittances and perception on benefits derived from remittances was presented in the form of percentages, graphs and frequency tables. The researcher was interested in finding the level of remittances income and how that is used and the extent to which remittance income is perceived to be beneficial to recipients. The graphs or tables were used to show the composition of household’s sources of income. This will be adjudged to be a proxy indicator of the dominant source of income for households in the sample. In other words the idea was to present and analyse the economic status of households through source and this helps us to show the role of remittances.

Thirdly the researcher analysed the channels used in transferring and receiving remittances. Recipients were asked to list or identify such channels with the idea to assess whether the challenges that recipients face are informed and influenced by the channels they use.

Description and analysis of the similarities and differences in the channels used as well as similarities and differences on the challenges faced by the recipients was done to show patterns in channels and challenges experienced by respondents in the sample area. The researchers also physically observed patterns and physical possessions to understand lifestyles as he was not detached from the respondents.

3.4 Time management

The researcher was guided by time frameworks drawn before the commencement of the research and agreed upon by the supervisor.

3.5 Limitations of the Methodology

The methodology used has got its own limitations and shortcomings. First the use of convenience sampling method does not show representation of the population. Secondly the small sample size of 10 households makes it difficult to replicate findings from this research.

3.6 Conclusion

The chapter outlined the methodology that was used in the research, it focused on the population, sampling techniques as well as the questionnaire design that will ensure reliability and validity of results.

CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4.1 Introduction

The value, benefit and overall impact of remittances is not essentially the same across households due to differentials in education, income levels as well as investments and other socio-economic, political and cultural variables. It is thus of essence for the researcher to explore such factors and discuss how these variables play out in the remittances discipline. This chapter discusses the recipients' capacity to receive and use remittances. Data on remittance income, usage, savings and the challenges that are experienced when receiving the remittances is presented in this chapter.

Data are presented in the form of tables, pie charts and frequency tables. The researcher chose to configure presentation and analysis of data concurrently and within the same chapter because of the convenience and ease of understanding that the approach proffers to the reader.

Data are thus presented and analysed in line with the broad research questions and themes identified in the research objectives. Some research findings are juxtaposed with what literature says and this confirms relevance, validity and reliability of results. The researcher presented the demographic profiles, the benefits and income composition of households, the transfer channels used and the challenges that recipients face in this order. There was not much statistical calculation and inferences done except the mean or average remittances income, percentages and frequency tables that were used in the research report. Data was collected from ten (10) respondents in Ngondyore area based on convenience and both a self administered questionnaire and observation, were the applied data gathering instruments. The location of the area is shown in chapter one and the sample of the questionnaire that was used is shown in appendix 1.

4.2 Demographic Profiles of remitter and recipients

The demographic architecture of both the remitter and recipient is an important determinant of remittance transfer and receipt. The paragraphs that follow present the profiles of the remitters and receivers of remittances in Ngondyore community. Each demographic attribute is discussed and inference from literature and any other available scholarly evidence that either support or contradicts the findings is also presented.

4.2.1 Recipients' Demographic presentation

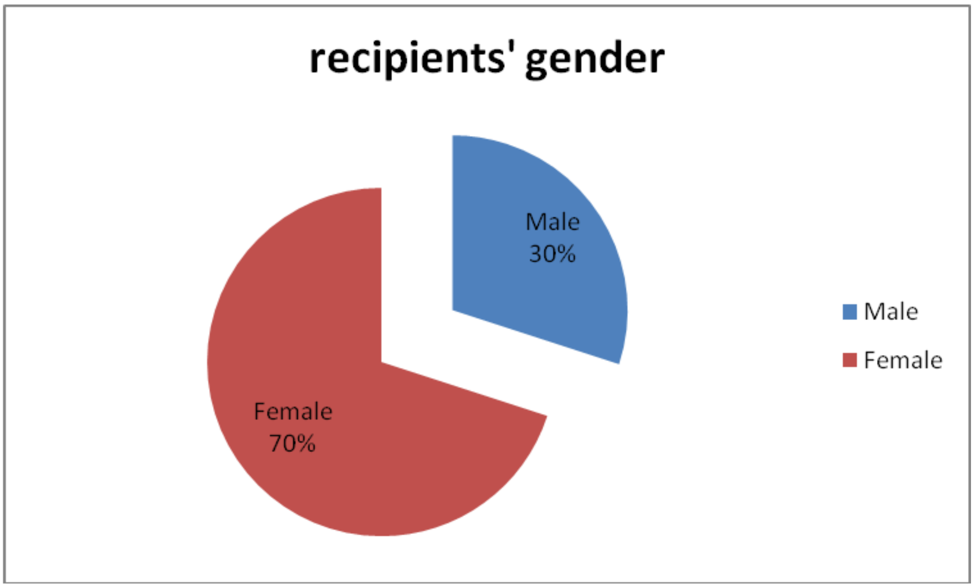
4.2.2 Gender of recipient

Gender plays a critical role and is also an important determinant of remitting behaviour. Gender influences the amount of money being remitted, the recipients of remittances and he use to which the received income is devoted to (IFAD, 2004) and (UNIFEM, 2009). Migration used to be the preserve of males while females stay at home. There are recently, some, improvements in female movements.

According to the Migration Policy Institute; women comprise approximately half of the estimated 150 million annual international migrants (IFAD, 2004). A study by Sherbut (2009) in Kenya showed that out of the seventy-five (75) households surveyed, 67% of recipients were females and 33% were males which shows that males migrate more than females. Each of the respondents identified themselves as the primary financial decision makers within their households. Studies by Orozco (2006), have shown that females are most receivers of remittances from males migrants.

In this study, out of the 10 sampled remittance receiving households, 30% were male recipients, and included in this is one male child headed household head whose parents had died because of, according to the conversation with him, HIV and AIDS, and relied heavily on donor support as well as Social Welfare grant from government. Female recipients constituted 70 % of the total number of recipients. The respondents were also the decision makers or heads of households. The sample results show a similar trend as revealed by Sherbut's findings from the Kenyan setup. In Brazil, Mexico, and Ecuador, for example, women make up over 60 percent of remittance recipients (Orozco 2006). A recent study by Orozco (2009) in United States suggests that the most important factor behind the amount of monies remitted is actually the recipient where the average amount remitted to a spouse was 44 percent greater than the amount sent to other persons.The figure 4.1 below shows the gender profiling of the recipients in the sample.

Figure 4.1 Gender of Recipients



The pie chart above illustrates that the majority of the recipients are females in the sample study. This can be explained by the anthropological nature and culture of humankind that males are the ones who have to provide for the families while women are on the receiving end.Though this trend seems to be fading, in some coutries , in African set up women are the most receipients of remittances. This male -female receipint ratio and or pattern shown is consistent with findings of studies that were done in El Salvador, were 58% of the sampled respondents were female headed households and in Nicaragua 52% were households headed by females (IFAD,2004).

Most men move from the rural areas to major cities or towns to look for better opportunities and satisfy their aspirations and get income to support families that they leave behind. It is also backed by the traditional culture that man should not fold arms and become a spectator when the family is suffering.Men also migrate seasonally to urban areas.Rural to urban migration is high during the winter and off ploughing season, where they seek short term employment and would go back to the rural areas towards the ploughing season.According to one respondent , men would go to town to look for short term employment usually in winter, so that they will get income that will enable them to buy farm inputs in prepration for the next farming season. However nowadays females are also on the move and this has been aggravated by emancipation of women as well as access to education that they have been exposed to.

4.2.3 Marital Status of recipients

Marital status have a bearing on migration and remittance flow.Studies by Orozco(2006), have shown that females are most receivers of remittances from male migrants and these are normally wives who are left behind to look after children in the rural areas or source region.

Findings from the study show that 40 percent of the recipients were married women. There was no married male receipient in the sample, only one receipient was single and this is a child at the age of 14 years whose father and mother passed on, and gets support from Social Welfare and NGOs .Two people were divorcees and three widowed and all these widows were 60 years and above in terms of age, see table 4.1 below.Married women tend to get more remittances in terms of value and frequency than divorcees and widows.

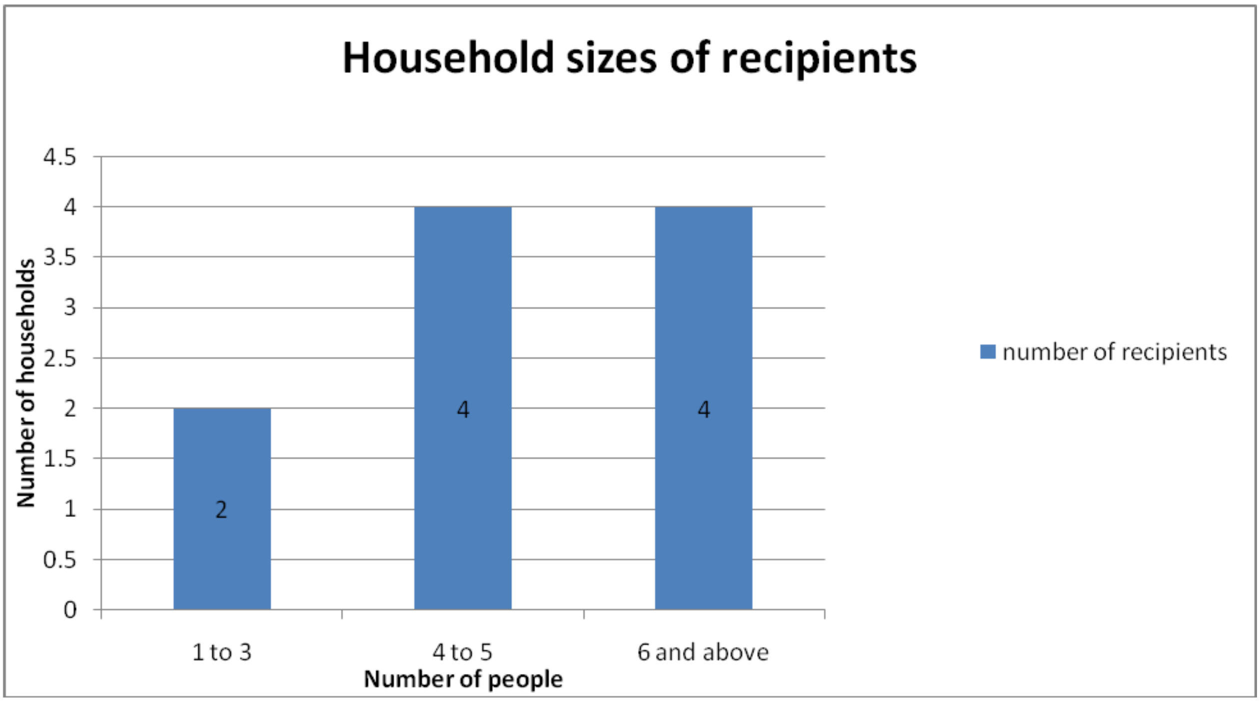
Table .1. Marital Status of recipients *(n=10)*

Marital Status	Frequency
Married	4
Single	1
Divorced/Separated	2
Widowed	3
Total	**10**

4.2.4 Size of Household

The size of household influences the amount, and more importantly the uses to which the remittance income and any other income is devoted or committed to. The figure below shows that rural households in the community had more than four (4) people residing at the homestead, most of which are the young of school going age, the old and non productive. Remittances going to nine of the ten households were used to pay for fees and other education related costs as these households had children of school going age. The demand for remittances especially during opening of school terms will be high, according to information gathered from respondents. Large household sizes are likely to dilute the economic impact of remittances, given the negative correlation between larger household size and lower income (Sherbut, 2009).The bigger the size of the household, the bigger the amount of remittance income that is required and it also follows that the bigger the amount that will expended to meet the individual demands within the family or household unit. Most respondents cited that their bigger families put a strain on the little income they get. One widow who takes care of grandchildren revealed that about $130 out of the $200 (65% of) average remittance income that she gets per month goes into meeting educational costs for the four children she is staying with.

Figure 4.2 . Number of people in household

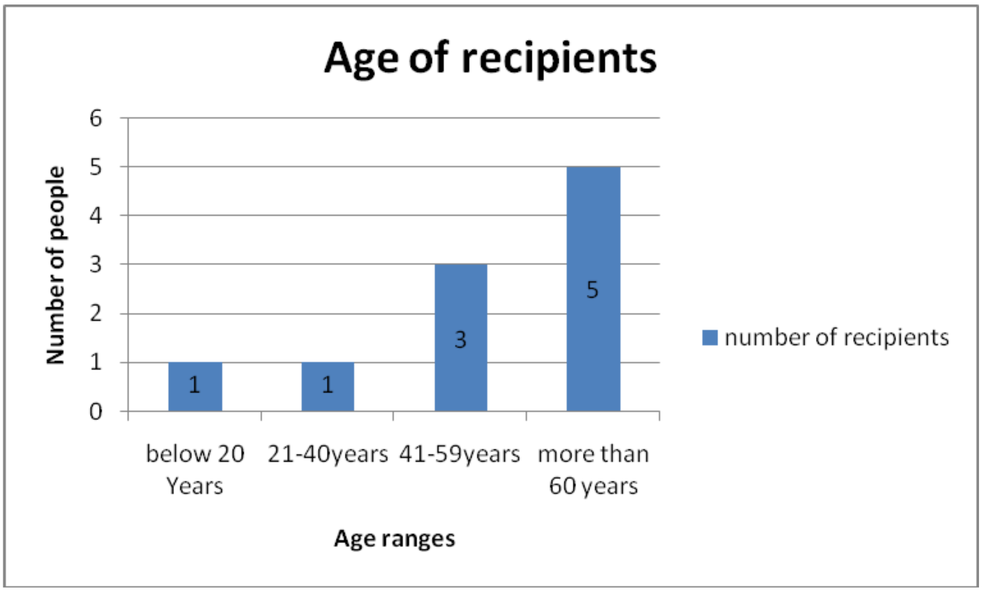


The figure above shows that eight of the ten(10) sampled households from had more than four (4) people and only two households had three (3) people and less. Usually in the rural areas people bear more children than in the urban areas because the cost of living is cheaper and also because the level of education , occupation and development is high in urban areas compared to the rural areas, and the more people are preoccupied on issues of development the less they bear children. This view(s) is supported by Thomas Malthus in his writings.Smaller families with one (1) and three (3) people are headed by the over 60 years in this case grandmothers who are staying with grandsons with support from their mothers and fathers who are extracted from the rural areas and migrated to the metropolis. The able bodied, productive age groups are extracted from the rustic rural settings to the urban settings in search of better opportunities, and this contributed immensely to deagrarianisation of rural agriculture in the community, because the old are in a way incapacitated to do farming.When men migrate and leave women behind, women have to step in, doing more work and engaging themselves in traditionally male chores. The agricultural and farming activities in Africa are moving from being male-dominated to being female-dominated. Even though this feminisation of agriculture is seen as a positive trend from a feminist lens it is important to recognise that these rural women must still carry out other household and family responsibilities resulting in less time being devoted to agriculture and hence the fall in rural agricultural production in rural communities, reflected in Ngondyore community. The climatic conditions (drought) coupled with adverse terrain and lack of proper agricultural extension services has resulted in the degeneration of farming in this community. As a result men and women have resorted and looked unto remittances as a sustainable livelihood strategy. However the numbers of people per household who are expected to benefit from the remittances are so many and put a strain on the income that these household receive. The upshot is that these people will remain in poverty.

4.2.5 Age of receipients

Migration is now viewed as a finite stage in the lifecycle of the household, as sons approach an age where they can be sent away to earn, the head of the household stays in the village to look after the farm and other enterprises(Deshingkar et al, 2006). Most of the people being remmited to in this case are the old aged and 50%, were in this category(see Figure 4.4 below).This results in deagrarianisation, depeasantisation and reduction in agricultural production in rural areas as evidenced by such a decline in this area. The young and able bodied are drawn by potential opportunities that exists in the metropolis leaving the old behind, however, ties with the rural folk are maintained through remittances transfer. Only one recipient was a minor at fourteen (14) years of age. This child got remittance flow from government and NGO.

Figure 4.3 Recipients' Age (*n=10*)



4.3 Remitter's Demographic profiling

The demographic characteristics of the remitters are significant in determining the direction of flow, the amount, frequency and channels used in remittance transfer. For example the type of employment whether formal or informal, the level of education, family size and other social economic variables like the income level of the remitter have a bearing on the remittance process. The following section is designed to show the remitters' demographic attributes.

4.3.1 Gender of remitters

Gender is a key factor in the likelihood of remittances being sent and received; this is a fact that is often ignored, (IFAD, 2004), and (Ortiz, 1997).Gender dimensions play a very salient and influential role in the remittance sending and receiving process. Migration used to be the preserve of males and more and more males have moved to towns in search of opportunities and fulfil their aspirations leaving wives and children in the source areas. It is often stated that male migrants remit more money home than women migrants (Orozco, 2006).In a study in Latin America Orozco found out that females remit nine (9) percent less than males. A study with conflicting results by Ortiz (1997, 15) in Dominican Republic revealed that females send more in terms of volume than males. In that study, total of 55.1% of the remittances received by those surveyed were sent by women, while 44.9% were sent by men.

The findings from this research as depicted by table 4.2 below are in sync with Orozco's, were more males remit more by volume, value and frequency than females. However, this is often a direct result of income disparity. Women migrant workers often tend to concentrate in low income niches e.g. domestic work, elder care and this is informed by the limited opportunities open to them when they migrate (UNIFEM, 2009). In the sample study more males remitted than females. However the study did not present comparisons of monetary remittances by gender. Table below depicts the gender mix of the remitters.

Table 4.2. Remitters' Gender *(n=15)*

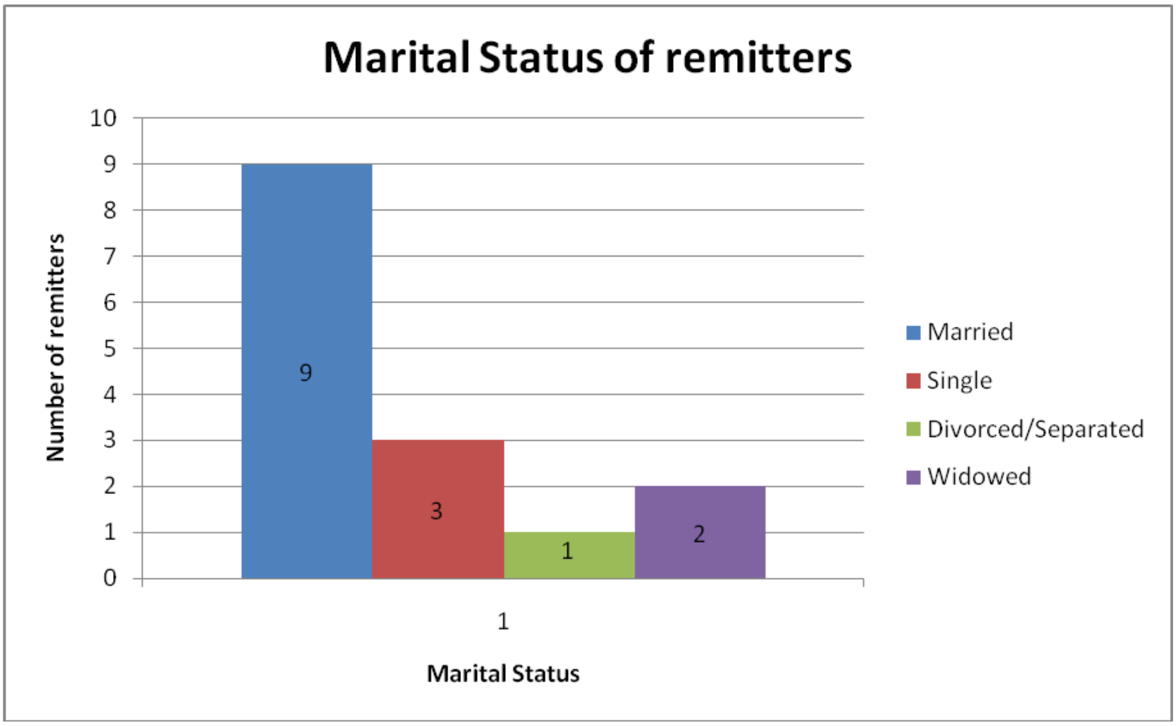
Gender	Frequency	Percentage
Male	11	73.3%
Female	4	26.6%
Total	**15**	**100%**

There were fifteen (15) remitters from the sample study whose demographic attributes with regards to gender were almost the opposite of recipients' characteristics. Of the fifteen (15) remitters, eleven (11) were males and four (4) were females. This can be explained by the African cultural beliefs and understanding that males are family breadwinners and most men are on the move from rural areas to the metropolis in search of better prospects than what is proffered in the rural areas. Males thus represented 73.3% of remitter population and females 26.6%. This is in line with the results produced by the A Southern Africa Migration Project in 2003 (SAMP) survey where male migrants constituted 84% and 16% for female migrants.

4.3.2 Marital Status of Remitters

Males unlike females used to migrate more, this, however , is no longer the case in modern day migration patterns,both men and women are on the move and this movement is informed by the demand push, supply pull and network factors (Widgren et al,2002). This pattern is also presented in the case of migrants from Ngondyore.Figure 4.4 below illustrates the marital status of these migrants.

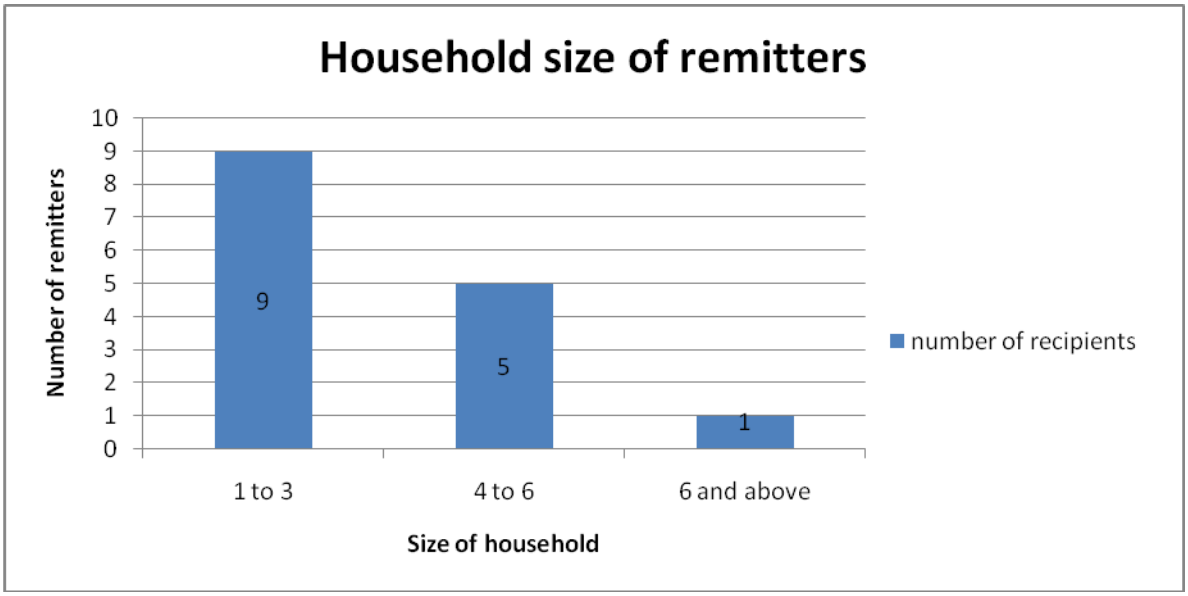
Figure 4.4 Marital Status (n=15)



Most of the recipients were married, that is, there were nine (9) married out of the fifteen (15) remitters. Some studies have shown that most married males remit more than females and to their wives. There were three (3) singles one (1) divorcee and two (2) widowed. Of the (9) married four (4) had wives staying in rural areas and five(5) stayed with their families in towns and cities, and these were mainly those remitters who had attained tertiary qualification and were earning better income. It was discovered that men with wives in the community remit more and often bring remittances than those who had taken their families with them and those who were not married. Thus married men and women keep ties with the rural folk through remittances.

4.3.3 Remitters' household size

Figure 4.5 Size of remitter's household



Nine(9) out of the fifteen (15) remitters had small family sizes that ranged from one(1) to three (3) people. Cost of living is high in urban areas and people are forced to maintain smaller families than their rural counterparts.This is often informed by the financial distress that bigger families might cause on income. One household had more than six (6) family members in the urban area. In this family both the wife and the husband had good jobs and could afford to cater for this family size in the urban area.

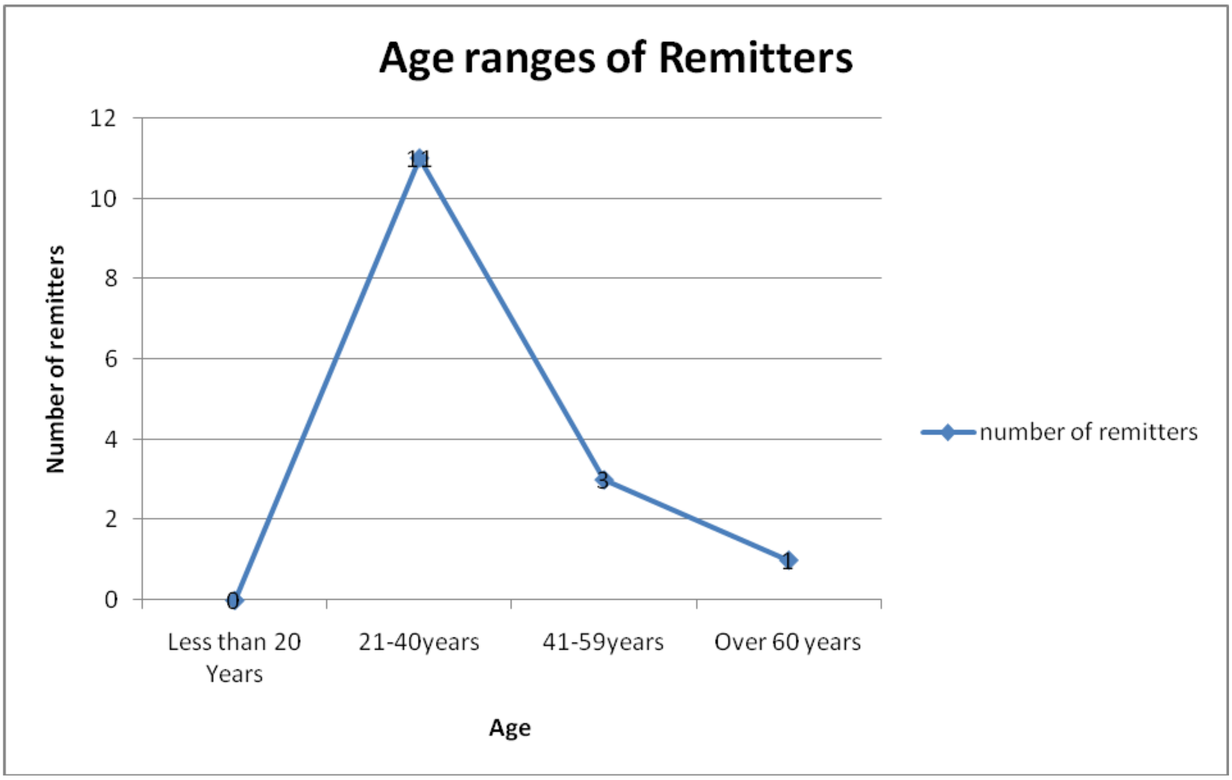
Some respondents interviewed indicated that bigger families have a negative bearing on the amount of money that is send to rural areas. One interviewed grany had this to say in Shona , *"tichambowana mari here , John akatora mhuri yose kuda zvirikutomunetsavo ku Harare kwaari uko"* (we are now getting less because John took his family to town and maybe life is difficult for him in Harare and apparently he hardly send enough money to us as usual).

4.3.4 Remitters' Age Profile

The 2002 National Survey of Latin America revealed that remittance senders tend to be young, those who immigrated at the age of twenty (20) years or below (Agunias, 2006).The sample results are consistent to this Latin American experience, even though there was no one under the age of 20 years remitting to the rural area, it was established that 73.33 % of remitters were between the 21-40 age group and that only 6.67% or one out fifteen remitters was above 60 years.

In Zimbabwe children finish their advanced level, generally at the age of eighteen (18) years and go to colleges or other tertiary institutions, generally for not less than three years that is why there are no remitters in the 0-20 age groups. The remaining 20 % of the remitters were in between the 41-59 age range. This could have been informed by the migration trends and phases of rural to urban migration in Zimbabwe, as well as policies on migration in the country. Figure 4.6 below depicts age profile of the remitters.

Figure 4.6 Remitters' Age Profile



Eleven (11) out of the fifteen (15) were between the 21-40 age groups and represent the productive age groups. For the age range 41-59 there is a decline in the number of remitters and most of them will be retiring going back to the rural areas and this follows for the senior citizens. There was only one male remitter in the 60+ age group .In Zimbabwe people in both public and private sector retire at the age of 60 years and this was one of the few cases who remained at work and it is most likely that this person was engaged in the informal sector.

4.3.5 Education level attained by remitters

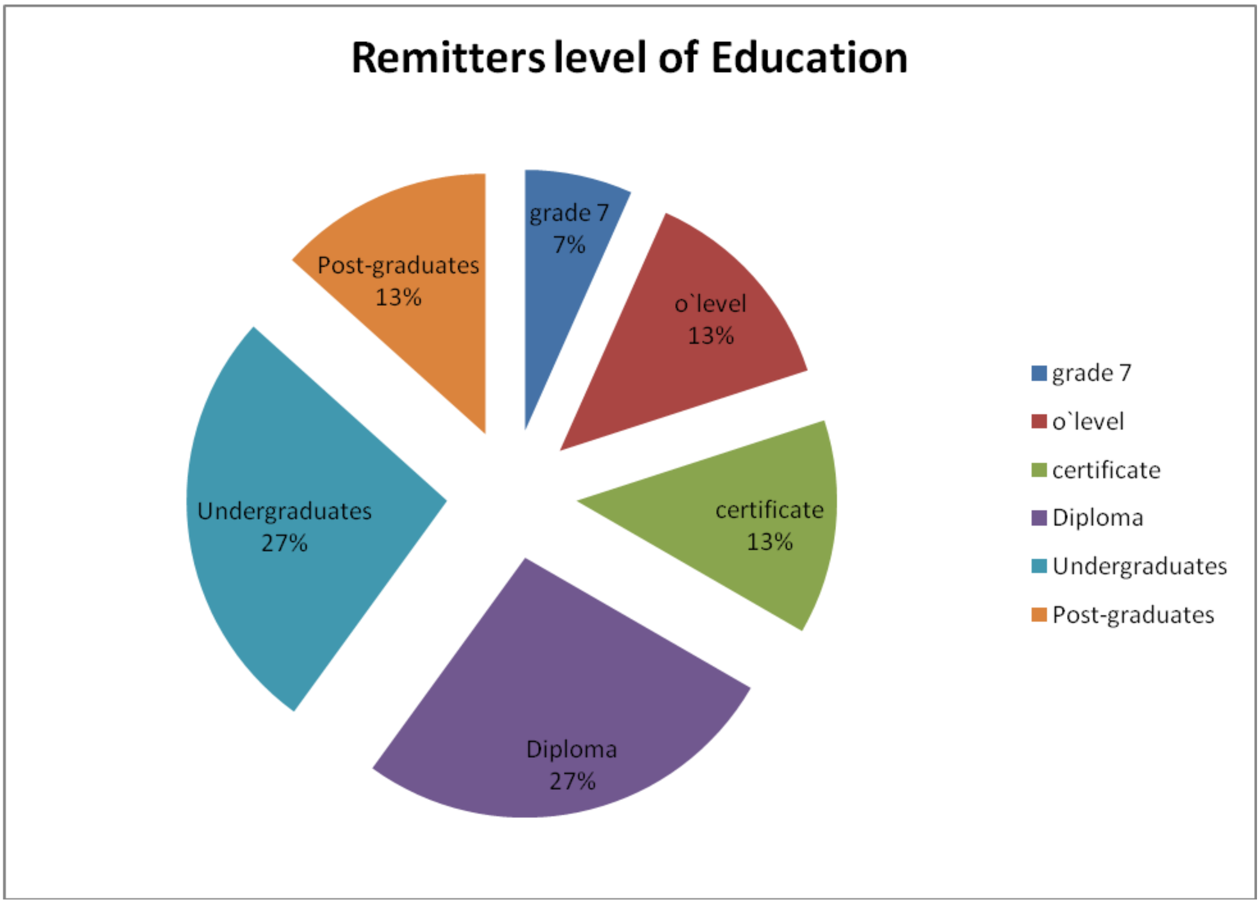
Education is by no doubt one of the important tool to possess if one needs to be saleable in the job market. Skill and education levels are positively associated with wages. Presumably, skilled migrants earn relatively more and therefore are likely to remit more. Ratha (2003) confirmed that skilled migrants will typically earn more and may therefore remit more. There are, however, many unresolved issues with this strand of literature. Rodriguez and Horton

(1994), argues that education level does not impact on remittances. Faini (2003) argued that highly educated migrants tend to remit less as their migration is often of permanent nature. Bendixen and Onge, (2005) found that the majority of remitters in the United States are Mexican men with low incomes and low education levels. What accounts for the lower tendency of more educated migrants to remit is still unclear. This could be related to the immigration policies of most receiving countries that allow educated migrants to bring their families (Agunias, 2006). This trend is also noticeable in Zimbabwe and most African countries.

In Zimbabwe soon after independence government made free primary level compulsory, tertiary level education was also free which has led to the high literacy rate that the country is touting about. Ngondyore community is one of the communities that produced some graduates and contributed also to high literacy level. All the remitters in this study had gone beyond grade 7, this ensures that one can read and write. Two (2) remitters only reached ordinary level. Two people got to certificate level. There were four (4) people who had attained diplomas. Most of the remitters were graduates and this group had six (6) people. This group comprised of four (4) undergraduates and two (2) postgraduates. Only two remitters were self employed. The level of education and high literacy level of migrants made them saleable in the in the job market.

The majority of the remitters are employed either by non-governmental organisations, government ministries and the private sector and thus education has shaped the lives of both these remitters and receivers' of remittances through a rippled effect of remittances. However there are no discernible productive investment activities that these educated migrants are advancing on in the community except ensuring that the recipient have an income stream that is devoted mostly to consumption and investment in human capital, despite their literacy and education level. They tend to develop destinations than source regions, with respect to productive investments .Figure 4.8 below illustrates the level of education attained by the remitters and it is important to note that families with educated migrants would advance and ensure that the young of school going age in the family are given access to education, hence migrants and recipients would commit some of the income to fund and meet educational demands.

Figure 4.7 Level of education attained



It is highly discernible from the illustration above that the community is sending educated personnel. The challenge is that some will never come back to engage in decisions that affect their areas, but are rather overwhelmed by the urban culture. It came out in the study that those who were less educated remitted more frequently than the less educated. In some households reports given were that the migrants had taken their wives and children with them so the propensity to remit was reduced as their movement tend to be of a permanent nature.

4.3.6 Remitters per each household and town or city based in.

The choice of destination is strongly determined by social networks – people from a particular caste and or village tend to go to the same destination and into similar occupations,(Deshingkar, et. al., 2006). The attractions of city life have become a major factor in shaping migration decisions, especially for young people and this explains in part the high migration rates. Households in the sample study were allocated some numbers for identification and one household had three remitters, two of which were based in Harare. In total seven (7) out of the fifteen remitters were based in Harare which is the capital of Zimbabwe. The archetypical belief that Harare is the hub of economic activity and has greatest chances to offer employment opportunities attracts people to it. There was little done to show the relationship between the numbers of people that remit and the amount of money that recipients receive. The table below shows the number of remitter(s) per household, and town or city in which the remitter(s) are based in.

Table 3 Number of remitters per household and city based in

Household number	1	2	3	4	5	6	7	8	9	10
Remitters	1	1	1	2	1	2	3	1	1	2
Town of Residence	Harare	Bulawayo	Harare	Harare/ Bulawayo	Harare	Mutare Bulawayo	Harare /Harare /Gweru	Masvingo	Beitbridge	Beitbridge Harare

Six (6) out of the ten (10) families sampled had only one person each remitting to them. Three (3) families had 2 people remitting to them and only one (1) family had three (3) people remitting. The national capital drew most people as it is the hub of economic activity and when people finish school, they normally desire to go to big cities were employment opportunities are presumably high. City of Bulawayo which is also the second largest city in Zimbabwe housed three of the fifteen (15) remitters. This is attributed to the fact that most industries have relocated to the national capital and so most people are drawn to it. Beitbridge, a border town between Zimbabwe and South Africa is housing two (2) people from Ngondyore community. Other smaller towns which are Gweru, Mutare and Masvingo had one (1) remitter sending from them.

4.3.7 Remitters' Duration of stay town

Rodriguez (1996) posited that the longer the migrant lives away from home, the less likely it is for them to remit funds and this view is also propounded by the remittance decay hypothesis. Orozco (2006) also found that every additional year a typical migrant lives in the United States, remittances decline by two (2) percent. According to Maimbo and Sander (2003) the migration period affects sending patterns. A common pattern is for temporary migrants to send larger shares of their income home, whereas longer term migrants tend to send less. The table below shows the duration of stay by remitters in urban areas.

Table 4 Duration of Stay in urban area

Household	1	2	3	4		5	6		7			8	9	10	
Remitter	1	1	1	1	2	1	1	2	1	2	3	1	1	1	2
Duration(years)	2	9	4	10	26	21	18	3	l	4	8	23	12	6	8

In the study seven (7) people have stayed in the cities or towns that they are remitting from for less than 10 years and their remitting propensity and prowess is well pronounced. Only one had gone the previous year and was from school. Five (5) remitters had ten (10) or more years of stay in the cities and towns they are based in, this is probably informed by the history of rural to urban migration in Zimbabwe, especially the ZIMCORD initiatives passed in

1981 where non farming families where encouraged to migrate to urban areas as a way of reducing pressure on communal areas, (UNDP, 2010). However some remitters whom the researcher had a chance to interview mentioned that they had moved from small towns to larger towns hence the duration of stay in the current city is low, thus in other words, the duration of stay in urban areas might not reflect on the actual number of years one stayed in the current city or town.

It came out that those remitters who had stayed in towns and cities for long had no strong ties with the rural folk and tend to remit less frequently than those who have low duration of stay in urban areas. Respondents revealed that the migrants would have taken their immediate family members with them to town and this reduces the appetite to remit.

4.4 Benefits and Composition of Household Income

Zimbabwe inherited a dual economy, characterised by the formal and informal sector, the urban and the rural enclaves (Mhone, 2000), (Kanyenze, 2009) and (UNDP, 2008).The bulk of labour force at independence was marginalised and lived in the rural areas and engaged in farming not for commercial basis but for subsistence existence. Due to the persistent drought and evidenced deagrarianisation and depeasantisation of rural agriculture, rural farm production as an income stream in Ngondyore community is no longer tenable.

Despite the recent land reform exercise that the government of Zimbabwe embarked on since year 2000, rural households in Ngondyore community did not benefit from land redistribution programme. Farm land is limited and a lot of people are clumped together on very small pieces of land, making it difficult to farm, keep livestock and some have no space to build houses. This has pushed some families to build on hills and mountains. The land problem in this community like any other community is predominantly premised on the historical land tenure were the fertile arable land was grabbed by the white settlers and blacks were pushed to the arid, rugged and infertile land called reserves (UNDP,2009).

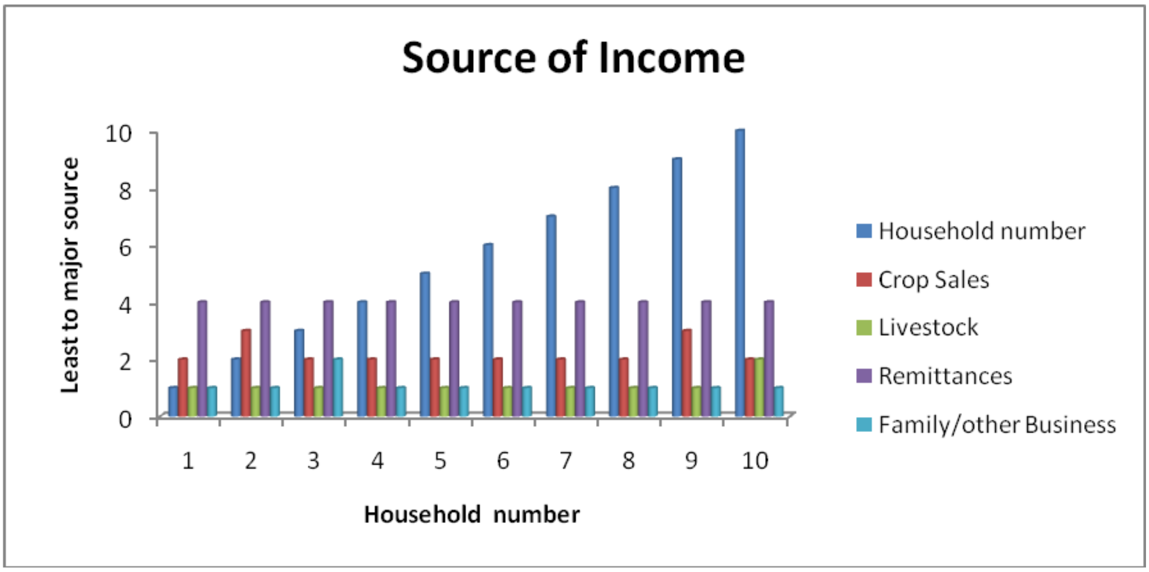
However without dwelling much on the historical land tenure design, that favoured the white minority, it suffice to state that recent developments in land distribution did not benefit many if any of the households from the community, maybe because of the distance between the community and nearest farms that were being seized for redistribution or because people did not want to move. One interviewee revealed that he did not want to leave the graves of his parents and grand grandparents who were buried in the area. These and other factors resulted in competition for small pieces of land and it was indicated that some young families in some villages within the community have failed to get space to build their own houses and some have resorted to setting up their homesteads in mountains.

Government, post independence, used to offer agricultural extension and marketing services to rural communities and Ngondyore community also benefited from this. There was a dip tank which used to service the area, there was an agricultural extension officer attached in the area, and GMB would come and give rural farmers inputs such as seed and fertilisers and advise on the variety of seed to plant that suits the prevailing weather and seasonal condition with help from meteorological office. However since the 1990s when government embarked on structural adjustment programmes subsidies and extension services like these were cut and with the protracted economic, political and social crises that began in year 2000 all these facilities became a thing of the past and this contributed immensely to fall in agricultural production.

Farming on its own thus became unable to provide a sufficient means of survival and people have resorted to remittances income as their major source of income and livelihood diversification strategy. A survey carried out by the Harare –based Mass Public Opinion Institute on survival strategies showed that remittances from relatives and friends are an alternative source of income in providing for food and health care (UNDP, 2010). The figure below shows the income mix of the sampled households, remittances income score the highest score of four (4) from all the respondents and the uses to which remittance income is put was almost uniform for the sampled respondents.

4.4.1 Ranking of major sources of income.

Figure 8 : Source of Income rank per household from least source 1 to major source 4



All the respondents indicated that remittances were their major source of income. This is attributed to the death and slump in farm income due to recurrent drought that has hit the area since year 2000.Crop and livestock production in the area is less pronounced and so people have looked onto remittances as the source of livelihood.

Two (2) households relied also on crop sales and these two families had a small irrigation where a diesel water pump was used to irrigate a hector of land. The least source of income was livestock production and family businesses since most of the recipients were poor to invest in income generating businesses. Crop and livestock sales and income, though low compared to remittance income, according to some respondents, earned them a living. Some members take the agricultural produce to a small market at Bikita Business centre to sell. Seen in the picture below are some fruits, tomatoes and vegetables, among others being sold to people in transit. This is also one prominent bus that plies the Harare- Mukore route via Bikita and it is seen here at Bikita Business centre bus stop were most remittances recipients normally receive their dues from bus drivers.

Picture taken by researcher on 25/01/2012

The mean remittances income received by recipients in the sample was US$126 per month and a daily average per household of US$4 (see table 5 below) .This figure is above the conventional US$1 per day definition of poverty. This does not necessarily mean that every household would afford to have this amount per day. However, despite this, the objective measure gives an indicator on how well or worse off rural recipients in Ngondyore community are. The respondents however indicated that the remittance income they receive is not adequate to cover for the multiple financial demands. The respondents confirmed the need to have financial institutions that would extend credit facilities .One responded, a child heading a household, has a regular income of US$100 a month from Local NGO, which caters for Orphan and Vulnerable Children and from Social Welfare fund that has resumed giving $20 per month to disadvantaged people in rural areas.

Table 5 Approximate values of remittances received from January to April 2011

Household Number	1	2	3	4	5	6	7	8	9	10
Amount	250	800	360	500	450	500	500	900	400	400

Given the level of income from remittances, it would be advisable to encourage the remittance recipients to prioritise saving and investment in some future income generating projects and this can be made possible by the involvement of NGOs and the private sector players who can facilitate such initiatives to succeed. Livestock and crop production is low due to persistent drought and the very nature that there are no cash crops being farmed in the area, except vegetables and wheat production by two households that have a water pump for irrigation.

4.4.2 Remittances and Poverty relationship

Remittances play a very important role in reducing poverty and keeping recipients' heads above water and reducing poverty. Adams, et. al., (2005) in a study on remittances concluded that remittances significantly reduce the level, depth and severity of poverty in the developing world. Gupta, et. al., (2009) argued that a 10% rise in the inflow of remittances to a given community will lead to a 1% drop in headcount poverty and the poverty gap. Acosta, et. al., (2007) showed that a 10% rise in remittance inflows will

reduce a receiving community's incidence of poverty by 3.5%, in (Sherbut, 2009).
In the sample study recipients' life styles showed some variation from non recipients'. This was observed from the physical outlook of the homesteads. The pictures below show remittances receiving household's homestead and non remittance receiving household's homestead.

The discernible differences between the two show the extent to which remittance income is used to develop households and pull them out of poverty. The researcher obtained that children from the non receiving recipients whose homestead is shown in the picture have failed to go beyond primary level due to lack of funding. This can result in a vicious cycle of poverty. On the other hand children from the remittances receiving household are said to have gone past secondary level education and two were at university.

Non- recipient

Remittance recipient

Pictures taken by researcher with permission from household heads on 25/01/2012

Most remittances receiving households could send their children to school which obviously has a future effect on growth and poverty reduction. The fact that remittance recipients could use the money to invest in education, health, buy agricultural inputs, livestock and pay for milling charges and other social charges or obligations like lobola illustrates how remittance have helped pull such recipients out of chronic poverty, in which some non recipients are soaked.

There are various scholars who have explored this area and have shown the negative relationship between remittances and poverty (Deshingkar et al, 2006), (Qayyum and others, 2008), (Barajas, et. al., 2009). Their results showed that poverty decreased coupled with increase in remittance inflows in the 1980s whereas decrease in remittance inflows during 1990s correlated with increase in poverty, because remittances are generally spent on consumption necessities like food, clothing, medicine, and shelter—thereby uplifting huge numbers of people out of poverty. This was also evident from the findings as shown in Table 6 that shows the uses to which remittances are put, with consumption, education, health being the major uses to which remittances income is being devoted by respondents in the sample area.

Jiménez (2009) in a comparative study between household receiving remittances and households not receiving remittances in Tlapanalá-Mexico found out that remittances have an inequality and poverty reducing effect amongst households.

The bulk of the remittances recipients indicated that they receive remittances monthly and only two households received remittances every fortnight and this was informed by the nature of work that the remitters are engaged in.

From the sample, ninety (90) percent of the respondents stated that November and December are the months in which they receive the greatest amounts of remittances, due to bonuses and usually remitters carry with them the remittances when they visit the rural areas during the festive season. However respondents revealed that during this period, commodities like bread, sugar, cooking oil, meat among others; prices will go up..This view is also shared by Parsons (2007), who posited that remittances in the rapid decline in aggregate supply contributed to inflationary tendencies in Zimbabwe.

4.4.3 Benefits and uses of remittances

Notwithstanding the fungibility of remittance income from other income streams, households in the sample relied mainly on money transferred to them and the following are the intrinsic benefits that accrue to these recipients. All respondents confirmed and asserted that they benefit a lot from remittances income and that remittances go a long way in uplifting the standard of lives in the community. Respondents also alluded to the rippled and transmitted effect of remittances to the entire community even to non recipients. This manifests itself for example, through payments for hired labour from remittance income that is sourced from the same community, as well as help community men during times of bereavement, and this ultimately end up benefiting non-remittances receiving members of the same community.

The use of remittances as a start up capital for productive investment is widely documented in most countries, however its practise is still very low in Africa and let alone Zimbabwe. If remittances can be saved they can be used as start up capital through microfinance institution and NGO support, to commence small enterprises. If remittances are invested or saved in financial institutions, they can be used to finance future consumption, and can lead to development (UNDP, 2010). However if remittances are used on consumption and are not put to productive development then development is unlikely, as is the case in Ngondyore community, where productive investment is nonexistent. This may be attributed to lack of proper advice that should come from private partners like banks and financial institutions and NGOs. The severity of poverty in the area does dictate the use to which remittances are devoted and thus investment rather than consumption will be a secondary priority. The table below shows the uses to which remittances income is devoted. The results do not show any signs of savings and productive investments done, this is due to lack of financial institutions and knowledge on the benefits of saving.

Table 6 . Uses of remittance Income

Use of remittances	Percentage
Purchase Livestock*(including livestock tax)*	40
Purchase Agricultural Inputs	100
Food Consumption	100
Clothing(*including footwear)*	50
Education(*Including Uniforms, footwear*)	70
Health	60
Transport	20
Milling charges	100
Land Tax	100
House construction	20
Payment for hired labour(*maids/cattle herders)*	40
Productive Investment(please state)	10

A study by Maphosa on the uses of remittances from South Africa to the southern districts of Zimbabwe showed that while consumption tops the list, remittances can be used for various other uses and this same picture is reflected by the sample study results presented above. The table below shows uses of remittances as presented by Maphosa (2007).Comparing these findings, it is highly discernible that remittances are mostly used for consumption, education, health and not much is put on productive investment.

Table 7 . Uses of remittance income (Southern Districts of Zimbabwe)

Remittance Use	Number of remittance recipients	Frequency
Food	79	98.8%
School Fees	63	78.8%
Medical Expenses	52	65.0%
Livestock	47	58.8%
Building	25	53.8%
Agriculture	43	31.2%
Business	8	10.0%
Other	31	38.8%

Source : Maphosa , 2007:130 Adapted from UNDP (2010,22)

The results show that no respondent used remittances for productive investment and saving yet there are more benefits in doing this than to invest in immediate consumption. Remittances can be invested wisely that people would not rely on remittance income in future but on the fruits of such investments as was noted by Ellerman (2003.24), that “In a community now largely dependent on income from migrant remittances, development would mean building local enterprises that would not live off remittances directly or indirectly so that local jobs could be sustained without continuing migration and remittances”.

All respondents mentioned food consumption and related issues like milling charges as the major use to which remittances income is devoted (see table 6 above). Respondents attributed this to persistent droughts that the area has been exposed to. People in the area hardly have harvests that sustain them for longer periods and so income from mainstream remittances is made to provide for food stuffs. Despite agricultural failures and droughts people in this community still have hope that one day better rains will come and they keep buying agricultural inputs seasonally. Ten (10) out of 10 respondents also mentioned purchase of agricultural inputs and land tax as major cost items of their remittance income. Out of the sampled households 70 % confirmed investing their remittance income into human capital development, that is, education. The results are consistent with the hypothesis that remittances raise educational attainment or investments in schooling which has received support in a growing number of studies, including those by Ilahi (2001) in Peru; Cox Edwards and Ureta (2003) for El Salvador; Borraz (2005) for Mexico; Acosta *et al.* (2007) for a sampling of Latin American countries; and Calero, *et. al*., (2009) for Ecuador. Standard economic theory suggests that, by lifting liquidity constraints, remittances should raise investments in human capital of household members, particularly in developing countries (Donates & Pozo, 2010).

Investment in health is also given priority, 60% of the respondents used remittance income to pay for health care. Due to the poor transport network in the area only 20 % devoted their income on transport and these are mainly those who would fetch and visit relative in town .Locally people in the community use donkey and ox drawn carts as a means of transport. Some households especially the two with an irrigation scheme had to hire extra labour, the older would also use some of their income to hire labour that will help with farming and household chores. This then has a rippled effect in terms of benefits to non recipients and to the community at large, because money received does not only end in the hands of the recipient but is transferred through such to those who might not be direct recipients. Some respondents revealed that they also lend some money to fellow community men, which shows that remittance income also benefit members of the community than the direct recipients only. Whether one is an indirect recipient, the benefits and challenges that direct recipients face are likely to be felt in the same way through the transmission effect. The depth and severity of the benefits and challenges faced by receivers of remittance can be informed by the channels used in the transfer process.

4.5.0 Channels used

There are two broad types of remittance transfer channels: formal and informal. Within formal channels, the institutions involved in remittance transfers are supervised by and fall within government regulatory framework. These formal systems include banks and postal services, money transfer operators (MTOs) such as Western Union, Moneygram and other wire transfer services, and credit unions. Urban to rural transfers can be done through banks, but in most African rural settings sophisticated transfer channels are less pronounced if not nonexistent. According UNDP(2010,5) in Europe, East Asia and the Pacific, Latin America, Asia and the Middle East more than 50% of the remittances are transfered using formal channels.

A UNIFEM study carried out in Hong Kong, Malaysia and Singapore showed that formal channels dominated with 95% in Singapore, 80% in Malaysia and 65% Hong Kong.This is due to the robust financial infrastructure, compared to Africa. Many studies show that informal channels are cheaper than formal ones and this is quite true in African countries. The pure monetary cost of remitting money across borders using official channels is estimated to be about 13 percent of the remittance value. According to Maimbo, et. al., (2005), the average cost of transferring remittances in formal system is about thirteen(13) percent of the amount remitted and sometimes exceeds twenty(20) percent. Similarly, remittances through friends, taxi drivers, etc., are also low-cost channels compared to the formal channels. For example, in a survey conducted in South Africa, remittances up to R250 to neighbouring countries cost R25 and R50, through friends and taxi drivers, respectively, as compared to over R100 through registered banks and over R80 through money transfer agents like MoneyGram and Western Union (Genesis, 2003).Respondents interviewed stated that they pay between 5-20% of the amount being received to bus drivers, depending on amount, frequency and regularity in using the same driver. Some however, cited that some bus drivers can charge the remitters at the source and again the recipient eating into the value of remittances.

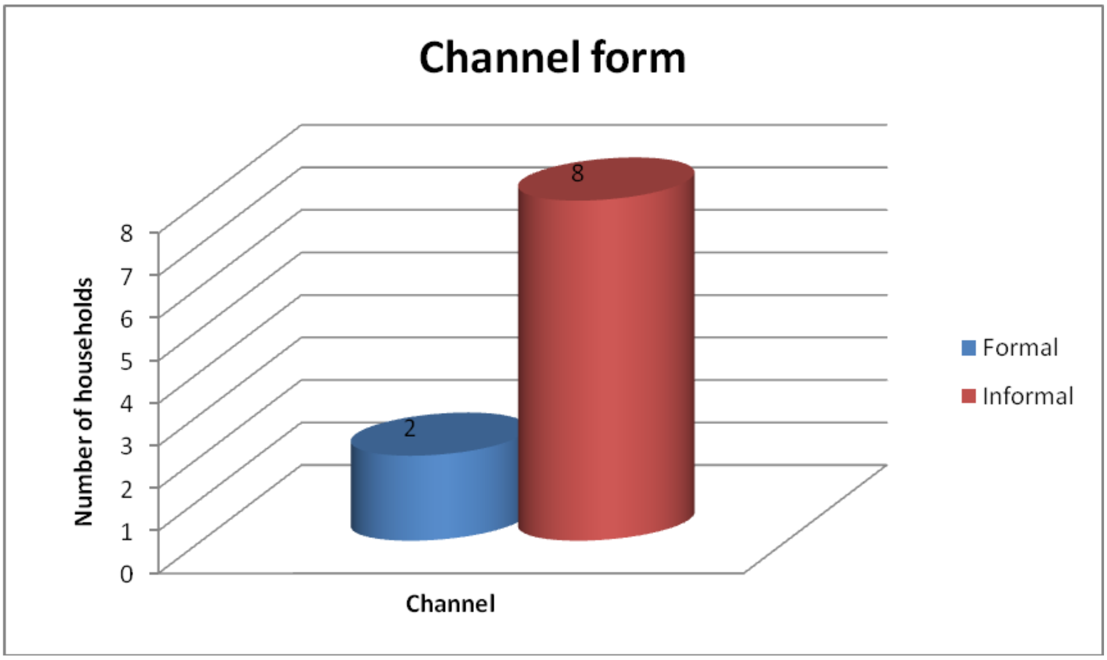
During and after the economic crisis, financial institutions operations in rural growth points died down in Zimbabwe. This has paved way to the dominant bus driver transfer, personal transfer and recipients fetching the remittances themselves from remitters in towns and cities. In Kenya, informal third parties usually couriers or *matatu d*rivers are used to transfer remittances. The average cost of transferring remittances in formal system is about twenty (20) percent (Maphosa, 2007), (Bracking.2003, 2006) and (Sherbut, 2009). Informal funds transfer channels operate outside regulated banking and financial channels (Buencamino& Gorbunov, 2002). Informal channels offer a client friendly system through favoured anonymity, little or no paper work and speed (Gupta, et. al., 2009). The informal economy is an important conduit for households in terms of their sending and receipt of remittances(Bracking , 2007).In their study on Remittances, Poverty reduction and Informalisation of household wellbeing in Zimbabwe, Bracking and Sachikonye(2007) found out that, 36.3 per cent of monetary recipients made use of an institution, 19.7 per cent of transfers were clearly in the formal sector, with commercial banks and MTOs .

Over 58 per cent of households used family members or family couriers to send and receive money, thus the process was highly informalised.
In the study 80 percent of the respondents confirmed receiving remittances through informal channels and only 20% used formal channels. The figure below shows the channel types used by the respondents. The pronounced use of informal channel is dictated by lack of financial infrastructure in the area, poor communication networks and systems, poor road infrastructure and dearth of policies that promote internal remittances; this was echoed to

the researcher by Mr Mlambo the headmaster of Fambidzanayi Secondary School on the 15th of April 2011.

Trust plays a crucial role in the use of informal channels.Respondents, however, showed that given the infrastructure, they are more than willing to transact and use formal structures. The discussions highlighted some immediate and long term interventions at policy and programme level that will help to foster rural livelihoods in the community. However some two respondents showed naivety about the existence and desire to use formal bank and transfer systems, the reason being that they are old grandmothers who have never been exposed to such systems.

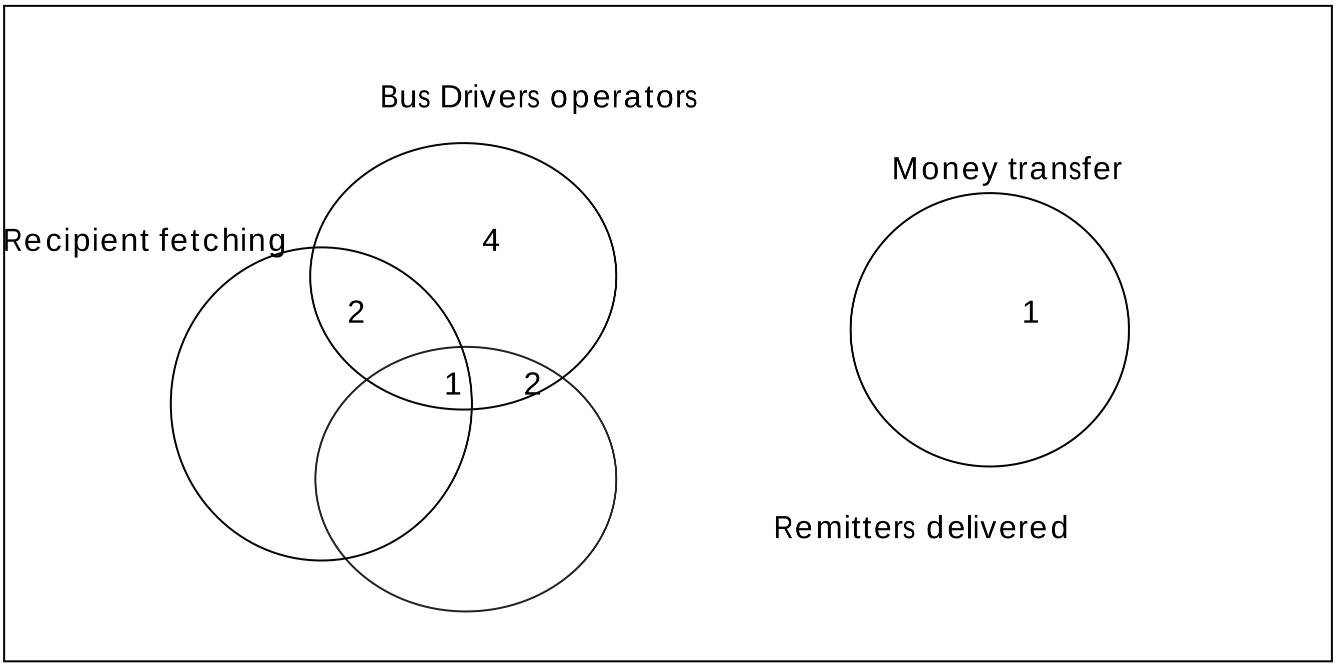
Figure 9 Channel type used



4.5.1 Specific Channels used by Respondents

The most common informal channel which was used by nine recipients is bus drivers. Recipients also confirmed fetching remittances on their own, while at times the remitters will deliver the diagram below shows intersection of the transfer channels, but it can be seen that bus drivers constituted that major channel. There is only one person who used Post Office services to get remittances. Money transfer operators or use of financial institutions as a channel are the least used because the facilities are not available in the area and most rural communities in Zimbabwe. According to Maimbo and Sander (2003), informal means of remittance include the hand carrying of cash by migrants or their family and friends, as well as transfers through unregulated money transfer operators. Such informal flows are high in Africa because of the very high prevalence of domestic and intraregional migration—and because formal financial systems are weak or nonexistent. Where they are, the chances are that they charge exorbitant fees for the service therefore most people abstain from using them, (Maphosa 2007), (Bracking and Sachikonye, 2003) and (Sherbut, 2009). However some of the remitters used more than one channel therefore there is an intersection amongst the three most common modes of remittance transfer and Figure 9 below shows the specific channels the respondents use.

Figure 10 Specific channels used



4.6 Challenges faced by recipients

Remittance receiving households do face some challenges in accessing remittances from family and friends from urban areas.The challenges that recipients face are often informed by the channels used in the transfer process. However with the informal channels which are rampant in use in African states, lack of insurance over the goods and monies send heighten these challenges. Poor public services seriously hamper the potential and remittances' prowess to contribute to livelihood development in rural set up. Most migrant sending communities are detached from financial services, electricity, safe water facilities telecommunications and fertile land (Grindle, 1988).

The various problems and challenges that remittance recipients face include the late delivery of remittances, remittances reportedly being missing, wrong parcels or amounts of money being delivered and damage to goods in transit. There are more problems in receiving cash than there are with non-cash remittances (Maphosa ,2007).The prices charged by transfer channels for example bus drivers and sophisticated channels are too high that they take the greatest chunk of what could go into the recipients' pockets. In Zimbabwe, people in the countryside faced problems in converting from foreign to local currencies. This was worse soon after dollarisation in 2009, when the rural folk took time to understand the real value of the US dollar and South African rand after migration to multicurrency use.

In some cases recipients have to walk long distances to get their monies from Post office, due to poor transport network and this makes them vulnerable to robbers. Reports from some members of the community indicated that some teachers are usually robbed, during pay days, when they drop buses at Bikita on their way to Ngondyore and Fambidzanayi schools. This was narrated by Chikafu village headman on the 14th of April 2011 at his homestead. Distortion of information due to communication problems leads to swindling of recipients remittances.

All respondents in the study mentioned that they really face some challenges in receiving remittances. Poor transport and communication infrastructure was stated as one of the challenges. Despite efforts by Econet Wireless, Tel one and Telecel to provide cellphone communication countrywide, this area which is serviced by Econet booster which is about 10km away still have some cellphone connectivity problems. Most of the time there is no network .This makes it difficult for remitter and recipients to communicate, especially on timeframes that would have been given by bus drivers. This often let bus drivers pass with remittances intended for the people in the community, getting them after two to three days.

Respondents in the sample cited that the transport infrastructure is poor and that lower bridge over Rozva River which is usually flooded during the rainy season poses risks of people being drowned during rain season. One village head indicated that every year there are on average five casualties who are drowned in Rozva River.

Respondents also cited that bus drivers will delay to deliver remittances and that they are at times swindled of their dues by these drivers. It is also reported that some drivers would ask for payment twice that is from the remitters' side and recipient side, thus the transfer charges are too much and they eat into what is supposed to go into the pockets of the recipients. The cost of using informal channels was viewed by respondents as less costly compared to the costs that formal channels would attract. This view is widely supported by Maphosa (2007), Gupta et al (2009), Sherbut (2009) and in UNIFEM (2009) document on gender dimensions on remittances.

Lack of financial service facility in the area was also cited as having degenerative effects on the remittance flow. Respondents mentioned that they are prepared to transact through financial service providers, if such services could be provided.

4.7 Negative implications of remittances

Remittances have their own negative consequences to households and communities involved.de Haas (2007) basing his study on dependency theory argued that migration leads to the depletion of needed human capital from local labour markets and transforms economically active and stable communities into passive remittance-dependent ones. In a related study Jongwanich (2007.1) confirmed that increase in remittances could have debilitating and degenerative effect on economic growth through the "Dutch Disease" and idleness among those who benefit.

Nyberg-Sorensen, et. al.,(2002) have noted the association between remitted income and inflation, especially in land and real estate prices. In this sample study it was revealed that during the festive season and after bonuses in November and December prices of goods especially at Bikita Business Centre normally doubles. Bracking and Sachikonye (2007) asserted that, the collection of individual actions will end up having unintended effects, which end up contradicting the compassionate intentions. As an example, while every sender of money wants to help their particular relative, when lots of people send money it can mean that the price of goods just goes up and thus is inflationary.

Young, et. al., (2007) asserted that, remittances have been proven to increase levels of economic inequality between households in a given area. This inequality often leads to hatred amongst fellow community men. Households receiving remittances are usually better off than their non receiving counterparts in the same community, thus the receipt of remittances by some households and not others, can act as a source of resentment that fuels community tensions and violence. Three of the respondents spoke about the hatred that their peer display on them and one even mentioned being bewitched because the household was better off due to remittances.

Various scholars have argued that remittances can bring about social decay and force people to indulge in socially unacceptable things like prostitution. Deshingkar, et. al.,(2006) asserted that "the costs of migration may be high in social and health terms: long periods of separation cause loneliness and working in industries with poor labour standards exposes workers to numerous hazards. Being alone and away from the family for too long may also results in more risky sexual behaviour at the destination and migrants are not fully aware of the risks of exposure to STDs, HIV/AIDS and other diseases". Forty percent of the respondents shared that they had lost sons and daughters through HIV and AIDS.

Bryceson (1996; 1997) provided evidence that rural to urban migration leads to massive deagrarianisation, which rural Sub Saharan Africa is soaked in. According to Bryceson Africa is becoming less agrarian as manifested by rising reliance on non-farm income sources in rural areas. This non farm income is thus made up of remittances. Household heads showed that despite the low rainfall received lack of manpower and able bodied lead to low agricultural output.

One of the village head , in his late 80s ,that the researcher interviewed, mentioned that migration has led to deep acculturation, and had this to say, *"handina kumbozviona izvi chikuriro changu, kuti mukadzi anopfeka mubheri, ndicho chirungu, iwo madhorobheni akadai kuuya aya",* (since my lifetime i haven't seen women putting on trousers, this is now so because of urban).

4.8 Conclusion

Remittance flows are influenced by the demographic attributes of both the remitter and recipient. Variables like education, family size and income determine the amount and direction of flow or remittances. Remittances were cited to be the major source of income for households in Ngondyore community and all respondents mentioned that they benefitted a lot from remittances, they also confirmed that there is are rippled effect of remittances to non recipients. Eighty (80%) of the recipients used informal channels and bus drivers dominated as the major channel used by recipients in receiving remittances. However some households used various modes of informal channels like remitter delivered, recipient fetching. Only one person used financial services channels. Despite the benefits, recipients faced some challenges in accessing recipients which includes poor transport and communication network, lack of financial services in the area, over flooding of Rozva River, exorbitant charges by bus drivers among others.

CHAPTER FIVE

POLICIES, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

The preceding chapter presented an analysis of the behaviour of respondents in Ngondyore community as it is shaped by the remittances they receive. Some policy and programme interventions and loop holes could be constructed out of these discussions. Policy gaps were acknowledged on existing policies through discussion of issues. Some issues came out through observation of the physical environment surrounding the households in the community. Policies and interventions proposed here stem out of the discussions as well as from literature .Respondents also suggested what they feel need to be done in order to take advantage of remittances as well as to address some challenges that they face. Given the benefits and challenges that are faced by recipients in rural Ngondyore community, it is wise to provide a comprehensive write up that accommodates policy imperatives and interventions that will help foster remittance transfer and ameliorate problems encountered in this remittance transfer process.

This chapter presents a package on the existing policies on migration, remittances and rural development at both community and national level**.**

5.2 Existing Policies and Regulations on migration, remittances and rural development.

Remittances have attracted a lot of scholarly attention and have become a policy issue in both academic and policy making circles. A number of governments and international organisations have tried to encourage the use of formal remittance services in a number of ways. Legislation banning the use of informal channels and installing legal remittance requirements have been adopted in some cases. The thrust of the policy debates is on how to encourage use of formal channels in the transfer process and on designing sound and appropriate regulation for the remittance industry to thrive. Most governments have set up some regulatory frameworks to take advantage of the developmental effect of remittances. The Philippines government introduced a Labour Code in 1974 to regulate labour migration and also established bodies that ensured safety, security and protection of migrants abroad UNDP (2010). The Indian government put up a Foreign Exchange Act in 2000 that brought some easiness in transacting and exchanging forex from abroad. In March 1981 the government rolled a Zimbabwe Conference on Reconstruction and Development (ZIMCORD), whose objectives where to intensify communal agriculture and transform rural farmers, to resettle communal area farmers as well as to encourage non farming peasants to migrate to urban centres, (UNDP, 2009).In Kenya which is one of the major recipients of international remittances government regulation encourages the use of commercial banks as channels of transfer, Sherbut (2009) and UNDP (2010), this was made possible by the PostaPay and M-Pesa system that was introduced by the private sector together with the help of government. In Zimbabwe until recently such systems were non existing , save for the *skwama* introduced by Telecel in conjunction with Central African Building Society(CABS) and other commercial banks, in January 2011, and *Eco Cash* introduced by Econet Zimbabwe in September 2011, (The Zimbabwe Independent 03 September 2011).The system is still new and has not been rolled out to rural areas.

Comparing with policy and regulatory developments on remittances elsewhere, there is hardly a sound policy on remittances, in Zimbabwe save for programmes introduced by the Reserve Bank of Zimbabwe to attract diaspora remittances like Home link, in April 2004 and until April 2008 where a Migration and Development Unit was created in the Ministry of Economic Planning and Investment Promotion (Herald 4 October 2010), to take advantage of international remittances. This unit even though it focuses on putting up migration policy framework and harness the remittances send by migrants, it falls short of addressing and governing local migration and urban to rural remittance flows. The programme was sponsored by International Organisation for Migration,(IOM), UNDP(2010).Zimbabwe thus lacks a comprehensive legal, institutional and policy frame work to deal with migration and development, UNDP (2010, 21), and this also means that there is no framework to govern urban to rural remittances. It is then imperative, looking at the growth of rural to urban migration and the remittances, to design policies and regulation that will govern this local transfer process. Such policies and programmes should address issues of transfer costs, and infrastructural foundations requirements to ensure a smooth remittance process.

Rural development programmes in Zimbabwe includes rural community cooperatives, microfinance by NGOs, infrastructural development through DDF and Ministry of Transport, as well as Growth Point policies as a way of reducing congestion and rural to urban migration among others. In 2004 Rural Electrification Agency (REA) an arm of ZESA (Zimbabwe Electricity Supply Authority) was formed among others, to see to it that rural areas were electrified in Zimbabwe. Despite how noble the programme was and still is, it came at a time when Zimbabwe suffered a lot of load shedding and plans to electrify areas similar to Ngondyore community where in vain. This then makes it difficult for rural households to communicate and even engage in projects that require electricity. Some of the policies and programmes highlighted often die at formulation stage and some like the infrastructural development and Growth Point policy were struck by lack of funding and political expediency respectively. In 2007 the Migration Legislation Review and the 2008-2010 National Migration and Development Strategy whose elements where to provide a conducive policy, legal and institutional framework for the effective management of migration, formalise labour migration for national socio-economic development, facilitate safe and legal migration of Zimbabweans, among others, was set up, UNDP (2010) as an attempt to regulate migration and remittance flows.

All these programmes highlighted here have an inherent impact on both internal and external migration and remittances. In the main Zimbabwe does not have a standing policy on internal migration and governing framework for urban to rural remittance transfer process.

5.3 Role of private Sector in migration, remittances and rural development.

Financial markets are not well pronounced in rural Zimbabwe, very few banks and Post offices have established in rural areas, favouring the growth points, that are often a distance from the bulk of rural households. At Nyika Growth point in Bikita district, there is a small AgriBank branch, Post office and recently established CBZ Branch. Opening of a bank account is difficult because of the stringiest requirements, especially proof of residence, though some banks have moved away from making it a mandatory requirement. The private sector, especially the banking sector has a role to play in ensuring a smooth remittance system. Setting and expanding banking operations to remote or rural settings is a priority. In the rural sector, remittances not only take longer to arrive, but recipient households spend time picking up the money in other cities, which sometimes, if not often, are one to four hours from the home area. Costs thus increase for households. One solution to this situation is the introduction of financial institutions in the areas. The participation of alternative financial institutions throughout remittance receiving areas, such as community banks, savings and credit cooperatives and micro-finance businesses, that can be set up with the help of NGOs is critical and becomes a form of financial democracy. These institutions provide access and outreach to lower-income communities and isolated rural areas that large commercial banks have traditionally ignored, (Orozco, 2006).It is advisable that banks set up structures that will allow money transfer through cellphone, and if this can be done in partnership with the cellphone and service providers it will come as a remedial intervention to the problems that rural recipients are facing.

5.4 Role of NGOs in rural development

Remittances are not just one-way flows of money that are quickly used for the acquisition of consumer goods, rather, they are also increasingly being used collectively to rebuild the infrastructure of rural communities and co-finance development projects. In Latin America and the Caribbean, governments, inter-governmental organisations and non-governmental organizations (NGOs) have begun focusing on how to channel and utilize remittances to promote sustainable development (IFAD, 2004).NGOs in Zimbabwe have gone a long way to help vulnerable rural households trough providing safety net , food and advices to rural farmers, within the limitations of their funds. There are NGOs like Care International, Action la Faim, Goal, among others that have introduced rural micro finance projects where a revolving fund is lend to rural borrowers to fund some projects like cattle rearing, gardening, and piggery and chicken projects in most cases. This has helped to alleviate and lessen that magnitude of rural poverty in some areas, however, Ngondyore community has not benefitted from similar projects. Such projects are often done in adjacent communities represented by active leadership with the capacity and acumen to attract and grab these NGOs. The possibility that remittances can play a significant role in helping households alleviate their poverty, invest in their future wellbeing and secure themselves against the downside risks and shocks, suggests that this types of financial flow is worthy of the adequate, concrete and informed recommendations that are presented below.

5.5 Role of Traditional Chiefs

Traditional chiefs exert pressure and influence that might have both direct and indirect impact to remittance transfer process. Traditional chiefs are given sound recognition in Zimbabwe and have a lot of priviledges. Their salaries and vehicles including vehicle allowances being catered for by government and recently a department in the Ministry of Local Government has been set by way of an Act of parliament that caters for the welfare of chiefs. These priviledges bestow on the chiefs the powers to take to task any perpetrators within their areas of jurisdiction, hence the leverage and respect that they get from community men. Chiefs can do some or all of the following within their powers to influence, control and govern the movement of remittances.

Chiefs are the conduits used to lobby for grants and government vote for community development. This is exemplified by the rural electrification programme, where traditional chiefs demanded for electrification of their rural homesteads and hence the surrounding villages. Unfortunately Ngondyore community is about 15-20 kilometres away from Chief Mukanganwi's village that is electrified under the government's Rural Electrification programme muted in 2004 and has not ye benefitted from this , making cellphone use difficult to many who does not own solar power facilities. However, Chief Mukanganwi, can still influence and push for the electrification of this and other areas.

Chiefs are the entry and focal point used by Non –governmental organisations, government and private sector interventions or programmes, by so doing, they have the capacity and leverage to influence mutation of programmes like the micro finance projects, where remittances income can be invested. This, thus, calls for polycentrical engagement and intervention of the private sector, NGOs, community men, chiefs and government.
The most indispensable character for informal transfer to thrive is trust and often people send remittances through colleagues from the same villages or community and or through hometown associations as most people from the same caste or village are likely to go to the same city. Not all of these remittances are delivered in the form, value and time as expected and when

that happens the aggrieved families might take litigation action to recover or enforce the other part to make good and settle the debts. The aggrieved, will take action first, before making it a criminal case, through the village headmen, who will take it up to the chiefs and the chief here act as a traditional but strong litigation centre in cases of disputes in handling of money .Many at times these disputes are settled at this level and very few cases are taken to the police.

There are a lot of collective projects that are done under the influence and command given by traditional chiefs. Most common is the *Zunde Ramambo* , where people under a chief would grow crops for the chiefs' upkeep as well as food reserves to help community men during times of hardship and help those who might be vulnerable like the orphans , the old and the disabled.

The poor road decorated with gulleys and dongs has been making it difficult for motor vehicles to ply the Ngondyore –Bikita route. The new Chief has organised villagers to maintain and fill the dongas and potholes along the road. This sometimes is done on food- for- work basis and is also compulsory at other times. To date people have attended to repairing the bridge across Rozva river and are set to fill the dongas along the road. Despite, the use of rudimentary tools (picks and shovels), this exercise is proving to be a success.

5.6 Recommendations

The link between remittances and development is growing stronger as multiple players connect in a broader web of relationships that move from social to financial interactions,(Orozco ,2006). As these interactions consolidate, the opportunities to improve the quality of life for many in rural areas expand. Governments, donors, foundations, and migrant groups must join in partnerships to further advance social change by identifying projects that add value to remittances recipients (Orozco, 2004, 2006).There is wide-ranging scope within the parameters of existing rural development policies to support, promote and address the challenges that rural recipients face. Such actions include increasing the role of the state in particular economic decisions. State and private sector involvement in fostering and building a strong infrastructure (roads, power, and communications) base that has a powerful effect on mobility, transfer and transmission of information is highly recommended. This has worked well in remittance promotion in countries like Kenya, Sherbut (2009). In the Ngondyore scenario government can work with private sector and establish infrastructure that will allow a formalisation of remittance transfer, a move that will benefit, the government itself and all the players involved.

This section presents these and other policy actions as well as interventions that will ensure a smooth remittance transfer and receiving processes. However the policy and programme inventions presented here are of course not by any means an exhaustive package. It is also important to note that the proposals presented here may not necessarily need to be pursued in isolation but in harmony in order to take advantage of the development effect of cash remittances to livelihoods in Ngondyore community.

Accessibility to financial services infrastructure in recipient communities is critical to ensure security and efficiency of remittances services. Informal remittance transfer channels can potentially be used for unlawful purposes, including money laundering, and fraud. It is important for government and the banking sector to encourage and enable the use of formal systems. Indeed, the risk of misuse of remittances channels is highest among informal providers that are completely unknown to the regulatory or supervisory bodies. It is recommended that the Ministry of Finance and Economic Development should facilitate and issue licenses to banks and financial institutions like Post Office Savings Bank so that it can open a small branch in the community given the fact that recipients are prepared to transact through the formal systems. This will enhance formal transfers and contribute to the fiscus. With the development in cellphone usage in the area the bulk of respondents in the study also suggested that once a Post office is built, it is also wise to introduce person to person transfer via the cellphone, like the M-Pesa system that was introduced in Kenya in March 2007, Morawczynski, (2008).

The *Ecocash* and *skwama* that were introduced in Zimbabwe this year should be expanded to cover rural areas to allow smooth transfer. However this appears to be in the long term because it requires also that the other players like REA, Ministry of Finance, RBZ integrates to set up infrastructural essentials for such to be achieved.
Introducing a mobile bank to schools and some meeting centres in the area can also be explored and implemented at short term interval to provide access to banking. This will promote easy access to remittances and will be made more easier using Ecocash or skwama or textacash facilities.

Short term intervention proposed here are to speed the construction of a bridge over Rozva River so that vehicles, animal drawn carts and people can pass during the rainy seasons when this river is often flooded.

Productive investment and saving are areas that need to be exploited in order to leverage on remittance income. In some rural communities in some provinces NGOs have introduced rural micro finance programmes where people invest cash in a fund that will be issued out as credit to members of the community. This was and is not done in this community and having such a programme will ensure that people have access to more cash that can not only be used for consumption but to invest in businesses.

Remittances services are still expensive, with fees of up to 10 percent of the principal sent, depending on the size and type of the transfer, as well as on its origin and destination. Reducing the price of remittances services must be major target for both public private players' intention. This can be done by setting regulatory charges per level of amounts being sent. This entails formalising even informal transfer channels. Government can also make it an offence to charge exorbitant fees or percentages on amounts being remitted whether formally or informally.

NGOs play an overarching role in ensuring that people's standards of lives are uplifted. There is potential for NGOs that operate in Ngondyore community to get involved in programmes that will educate and impart skills to people on managing remittances at the micro-level. NGOs must develop projects on remittance management skills to households and encourage home town associations that will reduce costs of transfer. Above all it is also important that these NGOs promote a culture of saving the remittance income as well as investment in productive ventures at micro level.

5.7 Conclusion

The paper took a micro level approach on the benefits, uses, and challenges that are faced by recipients in rural Ngondyore community. Both quantitative and qualitative techniques were adopted in gathering, presenting and analysing data, with structured questionnaire and observation being data gathering instruments that were used.

This empirical study revealed that remittances have become the major source of income to households in Ngondyore community. This is due to the recurrent drought that culminates in poor farm production and farm income. Such droughts have sent people especially the young and able to towns and cities across the country in search of opportunities. Rural – urban migrants however keep ties with the rural folk through remittances they send. Remittances can either be sent by remitters, collected by recipients through both formal and informal channels .Informal channels are the dominant methods of transfer used by remitters in the sample study. It was quite evident that remittances have huge benefits not only to the direct recipients but to the community at large. The researcher also observed that some recipients have used income to refurbish or build decent homes even though in most cases this did not come out in the questionnaire. The type of toilet facilities at home stead as well as water sources could be observed. Those that received more remittance income had covered water wells at homestead and blair toilets, these were observed at four homesteads. People use remittance income for food consumption, education, health, milling charges and land tax in this order of prioritisation. There were no positive and discernible signs of remittances being used for productive investment in Ngondyore community.This was attributed to recurrent drought that dilutes the significance of remittances on productive investment in the rural area, since the money received is used in buying food and human capital development.

The remittance process is however influenced by the socio economic variables of remitters like education, occupation and income levels .In this study the bulk of the remitters had gone past secondary education hence on average they remitted more.

From this research the results showed that males remit more than women. Most of the people who remit are of the age range between 21 and 40 years which are the able bodied. It also showed that mostly women are the recipients since there were 7 out of 10 female recipients. It was also observed that most of the people in rural areas have larger families than in the urban areas. It is evidenced that there are more male migrants than females, however, these females tend to remit more and frequently than males and that they often take with them the cash remittances to the rural areas than men. Remittances act as rural households' livelihood strategy and help uplift these people's standards of life. Despite the benefits that accrue to them, rural recipients in Ngondyore community face some challenges that include late delivery of their cash remittances, flooding of rivers, poor communication and transport facilities, and lack of financial service institutions in the area that allows for formal transfer of cash.

5.8 Further Research

Future research can be done to show the comparative analysis of both remittance recipients and non recipients' in the area or other rural areas alike.Research is needed on the comparative effect or impact of remittances on both receiving and non-receiving households at rural household level.

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APPENDICES

APPENDIX 1

Questionnaire

Thank you very much for participating in this research , whose aim is to evaluate remittances income, expenditure, benefits and challenges to rural livelihoods in your community. Please read each question and answer to the best of your knowledge. Your answers to the questions will be kept confidential and you will never be identified to anyone without your prior permission. ***NB Your responses will be used for research purpose only.***

1. HOUSEHOLD AND REMITTERS' DEMOGRAPHICS/CHARACTERISTICS

<u>Please circle the applicable</u>

RECEIPIENT'S DEMOGRAPHICS				REMITTERS' DEMOGRAPHICS			
Household H/H	**Marital Status**	**Household Size**	**Household head's Age**	**Household H/H**	**Marital Status**	**Family Size**	**Remitters' head's Age**
1 Male 2 Female	1 Married 2 Single 3NeverMarried 4Divorced/Separated 5Widowed	1 1-3 2 4-6 3 6-8 4 9+	1 <20yrs 2 21-35 3 36-50 4 51-60 5 61+	1 Male 2 Female	1 Married 2 Single 3NeverMarried 4Divorced/Separated 5Widowed	1 1-3 2 4-6 3 6-8 4 9+	1 <20yrs 2 21-35 3 36-50 4 51-60 5 61+

		1	2	3	4	5	6	7	8	9	10
2	**How many people remit to you?.**										
3	**In which town or city is/are the remitter(s) based?** ***Please state the town/ City***										
4	**How long has the remitter(s) been staying in the urban area?**										
5	**What is level of education attained by of the remitter(s)?**										
6	**What is the remitter(s)' occupation?**										
7	**Relation with the remitter**										
8	**How often do you receive remittances?**										

9. What has been the household's major source of income since April last year? (2010). Rank from the listed sources starting with the major source. *(1 major and very important 4 less important)*

Rank											
	Household number										
Source of income	**Crop Sales**										
	Livestock										
	Remittances										
	Family/other Business										
Is this income adequate for you and your family?											

11	**Since the beginning of this year (2011) approximately how much have you received from urban remitter(s) in (US$)**	1	2	3	4	5	6	7	8	9	10
12	**Compared with last year, how much more or less have you received in form of remittances?**										

13 **What could be the reasons for such changes in the amount of remittances received**?………
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……
……
………………………………………………

14	**Do you agree that remittances do benefit the entire community and not only the direct recipient?**	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

15. If the answer is NO to question 10 what other means or income avenues do you have?

1 Loans or credit facilities form financial institutions 2 Government grants 3 NGO support

16. In which months do you receive the highest amount of remittances? (*Please circle the applicable***)**

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

17 (a). How do you make use of remittance income? (*Rank in order of importance***)** **1 Very important 2 important 3 Indifferent 4 Not important 5 Extremely not Important**					
	1	**2**	**3**	**4**	**5**
Purchase Livestock*(including livestock tax)*					
Purchase Agricultural Inputs					
Food Consumption					
Clothing*(including footwear)*					
Education(*Including Uniforms, footwear*)					
Health					
Transport					
Milling charges					
Land Tax					
House construction					
Payment for hired labour(*maids/cattle herders)*					
Savings(POSB/Agribank)					
Productive Investment(please state)					
Other*(please specify)*					

18	**Do you benefit from remittance income?**	Yes	No			
19	**Do you own agricultural land***?(if No go to question 22)*	Yes	No			

20. Livestock ownership: Please indicate number of livestock owned in each category.

	Number of Livestock 1	2	3	4	5
Livestock type	**0**	**1-5**	**6-15**	**16-30**	**30+**
Cattle					
Goats					
Sheep					
Poultry					
Donkeys					

21 (a)	**What is (are) the channel(s) through which you receive remittances?**	Formal	Informal

(b). Specify the methods or channels through which you receive remittances (*Rank in order of applicability ,mark with an X*) **1 Very Applicable 2 Applicable 3 Indifferent 4 Rarely Applied 5 Extremely not Applicable**					
	1	**2**	**3**	**4**	**5**
POSB(Post Office Saving Bank)/Other banks					
Bus Drivers					
Remitter delivered					
Recipient Fetching					
Money Transfers					
Other*(please specify)*					

22(a)	**Do you agree that there are challenges faced in receiving remittances?**	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree

(b) What are the challenges faced in receiving remittances? (Please state).

………

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…………………………………………………………………………………………………

(c) . What do you suggest should be done to address these challenges?

………