

**A CRITICAL EVALUATION OF LABOUR MIGRANCY AND PRACTICES OF  
REMITTANCES: THE CASE OF GHANAIAN WORKERS IN THE INFORMAL  
ECONOMY IN JOHANNESBURG.**

**STUDENT : GIFTY NAA DENSUAH DODOO**

**SUPERVISOR : DR. NOOR NIEFTAGODIEN**

**A RESEARCH REPORT SUBMITTED TO THE FACULTY OF HUMANITIES OF THE  
UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG, IN PARTIAL  
FULFILMENT FOR THE DEGREE OF MASTER OF ARTS**

**FEBRUARY, 2008**

## **DECLARATION**

I declare that except for reference to other people's works, which have been duly acknowledged, this report is my own unaided work. It is being submitted in partial fulfilment for the award of Master of Arts in Labour and Development Studies at the University of the Witwatersrand, Johannesburg, South Africa. This report has not been submitted before any degree or examination in any other University.

---

***GIFTY NAA DENSUAH DODOO***

***February 2008***

## ACKNOWLEDGEMENTS

Thanks to many people who assisted me for a successful completion of this report on remittance practices by Ghanaian migrants in the informal economy in Johannesburg, South Africa.

Firstly, I would like to express my deepest and sincere gratitude to my supervisor and mentor Dr. Noor Nieftagodien whose academic guidance, support and patience were very precious. Dr. Nieftagodien's dedicated interest and advice directed me throughout this research report. Thank you very much.

Special thanks to Professor Eddie Webster and the Global Labour University (GLU) Committee Members for their academic guidance and moral support.

Dr. Andries Bezuidenhout's invaluable research methodology lectures led to a successful completion of this report. Thank you.

Many thanks to my Course Coordinator, Mandy Moussouris, for her encouragements.

I am thankful to Samuel Kojo Antobam for his numerous insightful contributions.

Thanks to my Union, Public Service Workers Union (PSWU of GTUC) for recommending me to undertake this programme.

Special thanks to Dr. E. Ben Hagan, Director of Institute of Industrial Research–Council for Scientific and Industrial Research (IIR-CSIR) for granting me study leave to pursue this MA (Labour and Development) course.

Thanks to all Ghanaian migrants who participated in this study

I am very thankful to my lovely parents and siblings for their patience and support. May the Heavenly father always protect and bless you

Finally, *“To everything there is a season. A time for every purpose under heaven, Amen” (Eccl 3:1)*. Thank you Lord for your wonderful protection and guidance throughout my studies and stay in Johannesburg, South Africa. You are God and will continue to worship you.

## DEDICATION

This research report is dedicated to my lovely husband, **Mr. Emmanuel N.A. Mokobi-Aryee** and my sweet daughter, **Ruxanne N.A. Mokobi-Aryee**, for their one-year tolerance without me. Thank you very much for your financial assistance, moral support, encouragement and patience. May the Good Lord always bless and protect you.

## ABSTRACT

The research was inspired by further studies conducted on remittances indicating that; voluntary migrants worldwide remit generously to their families back home (Adams Jnr. 2006; Mazzucato et al., 2004a; Pendleton et al., 2006; Shady, 2004; Stark, 1991) with little attention paid to Ghanaians involved in labour migrancy in South Africa.

This report explored remittance practices by Ghanaian labour migrants involved in the informal economy in Johannesburg and also investigated factors that motivated migrants from Ghana to send money and/or goods back home. The study objectives included identifying channels used to remit, frequency of remittance, different forms of remittances and also investigated the living conditions and nature of work of migrants. Finally, it established why these migrants chose to come to South Africa.

A snowball sample was employed to gather data from 20 Ghanaian migrants involved in labour migrancy in the informal economy in Johannesburg. These respondents work at these various places: Parktown, Berea, Yeoville, and Braamfontein and engaged in such work as hairdressing, waiting, tailoring/clothing designing, hairdressing, Internet café operating, welding, barbering, Carpentry, shoe and bag repairing. It therefore appeared that most of these respondents got employed through social networks. Even though it was not the focus of the study, of the total population, 5 females were interviewed to explore their remittance practices compared to their male counterparts. Semi-structured interviews were used to address the research objectives. Though the research revealed two motivating factors namely; economic and social that influenced respondents to send money to family members, economic factor emerged as the common factor among these migrants. Specific reasons for remitting among the migrants were also categorised as altruism, pure self-interest or “enlightened self-interest”.

Further, the survey revealed two channels that were used by these migrants to remit family members back home. These were formal and informal channels. Under the formal channels were specialised money transfer institutions (Standard Bank, Rannies) and then sea freight services. The study saw that majority (75%) of the respondents (all the 5 female migrants inclusive) used the formal channel to transfer money or goods whereas a handful (25%) of the respondents reported to remit through personal contacts which falls under the informal channel. In terms of frequency of remittance, two trends were identified and these were regular and occasional. Migrants who remitted once, twice in every quarter or four months were categorised under regular remitters and among were the 5 female migrants interviewed, while occasional remitters were seen as those who sent money and goods once in 6 months or a year. All respondents reported to have remitted due to economic downturn in Ghana.

The data collected highlighted all respondents came to South Africa for jobs that would offer better opportunities because of an impression they (migrants) had on South Africa’s economy.

## TABLE OF CONTENTS

<i>Title</i>		<i>Page</i>
Declaration	-	ii
Acknowledgment	-	iii
Dedication	-	iii
Abstract	-	iv

### Chapter 1

Introduction	-	1
Aim of the Research	-	3
Main Question	-	4
Rationale	-	4
Research Methodology	-	6
Challenges	-	9
Thematic Analysis	-	10
Procedure	-	11
Limitation of the Study	-	11

### Chapter 2 : Literature Review

International Migration	-	12
Causes of Labour Migration	-	15
International Remittances	-	18
Reasons for Remitting	-	20
Channels for Remitting	-	23
Informal	-	23
Formal	-	24
Form of Remittance	-	25
Informal Economy	-	27
Definition of Concepts	-	31
Conclusion	-	32

### Chapter 3 : Ghanaian Migrants in South Africa

Ghanaian Migrants Labour	-	33
South Africa: A New Destination	-	35
Labour Migration from Ghana	-	36
Social Profile of Migrants	-	40
Educational Status	-	41
Marital and Legal Status	-	42
Living and Working Conditions of		

Ghanaian Migrants	-	44
The Role of Social Networks	-	47
Conclusion	-	51

## **Chapter 4 : Migrants' Remittance Behaviour**

Motivating factors for Remitting	-	53
Type of Resources Sent	-	60
Channels used for Remitting	-	61
Frequency of Remittance	-	66
Conclusion	-	69

## **Chapter 5: Conclusion and Recommendations 71**

<b>Bibliography</b>	-	77
---------------------	---	----

<b>Appendix I</b>	-	87
Consent Form		

<b>Appendix II</b>	-	88
Guiding Questions		

<b>Appendix III</b>	-	90
List of Respondents		