Emigration and Remittances Utilisation in Kenya

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Abstract

This study unpacks the contribution of the emigrants in homeland development through utilization of remittances send to households of origin. It analyses the mobility levels and patterns, and extent of remittances utilization in Kenya, using the 2009 Kenya Population and Housing census data. It establishes that sizable shares of migrant workers emigrate because of employment and seeking for education opportunities. More so, that the human capital accumulation is crucial to development in the countries of origin as illustrated by the increasing trend in the amounts of remittances. Remittances were invested in household consumption, education, entrepreneurship, and health; however, it is underscored that the impact of remittances is dependent on time dimension as it takes time for some impacts to be realized. To that end, longitudinal surveys would provide a more plausible follow-up of remittances utilization across time and places of origin. More so, human mobility and remittances are critical variables for wealth creation, economic growth and development.

Key words: Emigration; Remittances; Remittances Utilization; Development.

1. Introduction

Massey et al., (1998) (cited in de Haas, 2006: 567) observe that knowledge of the impact of migration on the countries of origin is still fragmentary for four main reasons: the general paucity of good-quality data; weak methodological foundations; poor analytical quality of much prior research; and reliance on micro-studies (especially in Africa, and in particular sub-Saharan Africa) to the neglect of the major suppliers of European-bound labour migration from the South and East of the Mediterranean. The study however, observes that there is a recent positive development, such as the emergence of several websites, among them www.sendmoneyhome.org, Remittance Tax Relief for International Development (Remit Aid), Africa Recruit, Livelihoods Connect and Migrant Remittances, which document remittances made to different countries of the world. In addition, the World Bank has been a reliable source of data on remittances among other worker’s transfers, as many countries in developing world, Kenya included, lack requisite data on emigration. The lack of emigration data and related subject issues, such as, remittances have held back analysis on emigration and development.

This paper analyses the levels, trends, pattern and nature of remittances and their utilization in Kenya. The paper presents selected evidence of both the emigrants and remittances flows and examines their impact in the recipient households and communities. In trying to unravel the impact of emigrants and its contribution on development, this paper considers the sources, volume and value of emigrant’s remittances; and, unpacks the unknown quantum, namely the contribution of the emigrants in homeland development as well as the utilisation of the remittances.

At issue are several questions that seek answers on how best remittances constitute a resource for development. For instance, Sorensen (2006: 96), posed two pertinent questions: (i) How can a government best estimate the actual flows of financial as well as social remittances? (ii) How can governments and international development organizations assist households, organized groups, such as Hometown Associations (HTAs) and home villages, to make the most effective use of collective remittances for development without impeding local initiatives?
The key concepts are: migrant; emigration; remittance; and; diaspora-inflows. A migrant is defined as a person that moves from one country to another (and unless otherwise stated also includes migrant workers), whereas, a migrant worker is a person who migrates or who has migrated from one country to another with a view to being employed other than on his own account and includes any person regularly admitted as a migrant worker. Emigration is the act of departing or exiting from one country (country of origin) with the intention of settling in another (country of destination).

More often than not, the concept migrant remittance has not been appropriately conceptualized; it is the sum of: (i) migrant workers’ remittances; (ii) compensation of employees; and (iii) migrants’ transfers. Migrant workers’ remittance conjures current private transfers from migrant workers staying abroad for one year or more to recipients in their country of origin. On the other hand, compensation of employees encompasses wages, salaries and other benefits earned by seasonal or other short-term workers who are in the country of destination for less than a year, and; Migrants’ transfers is the net worth of migrants, which are transferred from one country to another at the time of migration (for a period of at least one year).

Emigrants’ remittances are simply defined as transfers of money, goods and diverse traits by migrants or migrant groups back to their countries of origin or citizenship. Although the notion of remittances conjures only monetary aspect, remittances embrace monetary and non-monetary flows, including social remittances. The North-South Centre of the Council of Europe (2006) defines diasporas’ social remittances as ideas, practices, mind-sets, world views, values and attitudes, norms of behavior and social capital (knowledge, experience and expertise) that the diasporas mediate and either consciously or unconsciously transfer from host to home communities.

2. Data and Methodology

The data was drawn from the 2009 Kenya Population and Housing Census, the Central bank of Kenya (CBK) and World Bank (WB). Data from the Central Bank and World Bank were used for quality checks of the census data, and also to validate trends in remittances. Data were desegregated into households with emigrants and those without emigrants, and analysed to establish the levels and distribution of emigrants by age, sex and counties and national level. Among the households with emigrants, the data were further desegregated by those that received remittances and those that did not receive remittances. This was later used to establish the differences in remittances and use of remittances by households.

The units of analysis are individual and household, that were disaggregated by various characteristics. All the emigrants who migrated for any cause were included in the analysis. For instance, it would have been plausible to control for emigrants who stated that they emigrated for educational purposes. However, it was noted that some of the emigrants who emigrated for educational purposes, either upon completion of education or before, do get engaged in wage employment, either to supplement their education fees or subsistence. In the event, they send back home some of the wages to the households of origin, dependent on the socio-economic status of the family. To that end, it would be unwise to control for such emigrants because it was not possible to differentiate between those who engaged in wage employment and those that stuck to education only. Though so, the analysis notes that students may not remit.

3. Results

3.1 Level of Remittances

The statistics provided in Table 1 shows remittances to Kenya between 2004 and 2011. It depict a slow-down in incremental amounts of remittances with huge annual increase between 2006 (USD 407,593) and 2007 (USD 573,645) compared to 2008 (USD 611,241) and 2009 (USD 609,156), which was actually a decline in remittances to the country. There appears to be a recovery and upsurge in remittances in 2010 (USD 641,945).
Table 1: Monthly Remittance Inflows (2005 to 2011 in US$ '000)

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>28,564</td>
<td>31,506</td>
<td>40,930</td>
<td>53,925</td>
<td>39,535</td>
<td>45,117</td>
<td>64,139</td>
</tr>
<tr>
<td>February</td>
<td>26,056</td>
<td>30,283</td>
<td>39,533</td>
<td>50,382</td>
<td>53,353</td>
<td>46,423</td>
<td>60,759</td>
</tr>
<tr>
<td>March</td>
<td>31,219</td>
<td>36,354</td>
<td>48,562</td>
<td>59,344</td>
<td>55,361</td>
<td>52,309</td>
<td>71,577</td>
</tr>
<tr>
<td>April</td>
<td>29,216</td>
<td>35,369</td>
<td>38,251</td>
<td>48,538</td>
<td>49,180</td>
<td>51,172</td>
<td>68,124</td>
</tr>
<tr>
<td>May</td>
<td>32,358</td>
<td>42,427</td>
<td>41,163</td>
<td>48,590</td>
<td>52,309</td>
<td>51,172</td>
<td>71,888</td>
</tr>
<tr>
<td>June</td>
<td>34,360</td>
<td>35,667</td>
<td>48,643</td>
<td>49,490</td>
<td>52,347</td>
<td>50,652</td>
<td>72,797</td>
</tr>
<tr>
<td>July</td>
<td>29,133</td>
<td>41,065</td>
<td>53,350</td>
<td>44,137</td>
<td>50,372</td>
<td>50,652</td>
<td>72,797</td>
</tr>
<tr>
<td>August</td>
<td>31,759</td>
<td>30,587</td>
<td>58,803</td>
<td>43,388</td>
<td>55,947</td>
<td>51,993</td>
<td>79,563</td>
</tr>
<tr>
<td>September</td>
<td>31,616</td>
<td>28,841</td>
<td>60,575</td>
<td>48,953</td>
<td>53,347</td>
<td>58,557</td>
<td>84,854</td>
</tr>
<tr>
<td>October</td>
<td>33,037</td>
<td>29,633</td>
<td>46,848</td>
<td>61,113</td>
<td>53,037</td>
<td>58,503</td>
<td>81,311</td>
</tr>
<tr>
<td>November</td>
<td>34,282</td>
<td>31,403</td>
<td>55,564</td>
<td>43,970</td>
<td>48,231</td>
<td>56,380</td>
<td>80,802</td>
</tr>
<tr>
<td>December</td>
<td>30,557</td>
<td>34,459</td>
<td>31,421</td>
<td>40,129</td>
<td>56,329</td>
<td>65,617</td>
<td>80,802</td>
</tr>
<tr>
<td><strong>Annual Total</strong></td>
<td><strong>382,153</strong></td>
<td><strong>407,593</strong></td>
<td><strong>573,643</strong></td>
<td><strong>611,241</strong></td>
<td><strong>609,156</strong></td>
<td><strong>641,943</strong></td>
<td><strong>805,865</strong></td>
</tr>
</tbody>
</table>

Source: Central Bank of Kenya (2011)

However, since 2005 to 2011, there has been an upward trend in diaspora flow to Kenya. In November 2011, remittances to Kenya amounted to US$ 80.8 million, which was 43 percent higher than the level in November 2010. The average remittances inflow in the year to November 2011 amounted to US$ 72.6 million up from US$ 52.7 million recorded in the year to November 2010. On the same note, according to the World Bank Survey on remittances to Kenya, (World Bank 2010), which covered the country’s 31 out of 47 Counties, and was therefore quite representative as it included both urban and rural areas, indicates that on average, Kenyans remit about USD 105 for about 7 times a year; and 2, 612,000 Kenyans regularly receive international remittances, totaling to about USD 1.9 Billion annually.

This is way above figures provided by the Central Bank of Kenya and other sources. On the other hand, an analysis by the Central Bank of Kenya (CBK) shows that remittances amounted to USD 64.1 million in January 2011; that is, an increase of 42.2 percent compared to USD 45.1 million in January 2010 and 16.4 percent above the 12 months average to January 2011.

3.2 Remittances Trend

This is further confirmed graphically in Chart 1 that there was a downward trend between 2008 and 2009 followed by an upward trend in 2010 through 2011 which could be attributed to the global economic crisis, among other factors. ‘The global economic (financial) crisis exacerbated the downtown of the Kenyan economy in 2008 through deteriorating current account balance, declining economic growth and depreciation of domestic currency. These effects were attributed to the dwindling exports and capital inflows’, Economic Survey, 2009, Government of Kenya).
Since December, 2010, improved data collection techniques and proper classification of remittances by some commercial banks have contributed to this increase in remittances inflow. The 12 month cumulative average remittances flow sustained an upward trend from the second half of 2010 (Chart 1). In addition, Government’s Savings Development and Infrastructure bonds issues and subsequent awareness campaigns led to increased Diaspora interest in investing through these formal channels over this period. Finally, the increased competition among money transfer service providers recently may have resulted in reduced transaction charges and thereby encouraged the use of formal remittances channels.

3.3 Sources of Remittances

The main sources of remittances to Kenya, in the recent past to date, have been North America, Europe and Asia, particularly, United Arab Emirates and Saudi Arabia. Remittances inflows from North America increased by US$ 154.71 thousand to US$ 38.49 million in November 2011 and accounted for 47.6 percent of total remittances. The remittance inflow from Europe increased by US$ 229.7 thousand to US$ 24.1 million over the same period (Chart 2) and accounted for 29.8 percent of total remittances.

<table>
<thead>
<tr>
<th>Regions</th>
<th>Nov-11</th>
<th>Oct-11</th>
<th>Sep-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>38,493</td>
<td>38,338</td>
<td>41,384</td>
</tr>
<tr>
<td>Europe</td>
<td>24,058</td>
<td>23,827</td>
<td>23,792</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>18,253</td>
<td>19,146</td>
<td>19,678</td>
</tr>
</tbody>
</table>

Chart 2: Remittance Inflows from Source Markets (US ’000) Sept. – Nov. 2011
Source: Computed by author
The findings of this study are consistent with that of the Central Bank of Kenya (CBK). It notes that the source markets for remittances have on average maintained the same shares with North America contributing 56 percent and Europe 25 percent of the total remittances to Kenya in the year 2009 and January 2011, respectively, compared with an average of 54 percent and 27 percent respectively in 2010. This also compares well with findings of the survey by the World Bank, which reports that the leading source of remittances was North America (38 percent), followed by Europe (25 percent), other Africa (25 percent), Uganda (9 percent), Tanzania, 7 percent), Asia/Middle East, 12 percent, Australia (1 percent). According to Pedro de Vasconcelos (IFAD, 2010), remittances contributed about 2.5 percent of Kenya’s GDP in 2010 and 30-40 percent of international remittances go to rural areas in developing countries. It’s generally expected that the recent global economic crisis would have a negative impact on remittances to Kenya, and in deed statistics available from the Central Bank of Kenya show that this has been the case.

Informed by available literature, this study notes that African diaspora obtain social remittances from different sources: through professional expertise in work places in the host countries; through values, norms and work ethics; through their socialisation and acculturation in host countries; and by constructing vast transnational networks across countries and continents, linking the process of globalisation to ‘glocalisation’ in their countries of origin. However, it needs to be observed that the data available for this study enabled the analysis to be computed only in monetary terms.

### 3.4 Remittance per Capita

Remittance per emigrant represents the average amount transferred per year by a migrant. It reflects both the relative financial situation of the sender and the receiving country’s ability to attract its diaspora inflow. Chart 3 depicts remittance per Kenyan emigrant, whereby it shows that Garissa County has the highest total emigrant stock of remitters; significantly higher than that of country (at approximately 70 percent, compared to less than 40 percent at the national level. Analysis of remittances utilization however showed that much of the remittances are utilized in household consumption.

![Chart 3: Percentage Emigrants who Remitted by Counties and National, 2009](chart3)

Source: Computed by the authors
3.5 Remittance per Year of Departure

The characterization of emigrants and their remittance vary by year of departure. Table 2 shows that even though remittances have increased over the years in the past decade, percentage of emigrants remitting have been on a steady decline. For instance, in the year 1995, 46.2 percent of emigrants remitted, whereas only 28.1 percent of emigrants remitted in the year 2009. However, even though percentage of those who remitted in the years 2007-2009 were lower compared to those who remitted in 1995-2001, the amounts remitted in the latter year were more, apart from 1995 when the amount remitted was about 11.8 percent of total remittance. The lower percentage of remitters could be due to a large number of emigrants being students who have moved out for education purposes, hence do not remit.

On the other hand, it shows that even though those who remitted were many in the earlier years as per the study data, most of them were remitting smaller amounts of money, compared to emigrants remitting in the latter years. It could also be interpreted to mean that most of those who have moved outside the country, have either emigrated because of the lack of jobs domestically or due to the insufficiencies in their respective households. Hence, while they are in the countries of destination, they try to maximize their stay outside by sending in much money for consumption or developmental purposes.

Table 2: Remittance by Emigrants’ Year of Departure

<table>
<thead>
<tr>
<th>Year of Departure</th>
<th>Percent of those who remitted</th>
<th>Total Remittance</th>
<th>Percent Remittance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>46.2%</td>
<td>357,694,525.0</td>
<td>11.81%</td>
</tr>
<tr>
<td>1996</td>
<td>48.6%</td>
<td>114,088,619.0</td>
<td>3.77%</td>
</tr>
<tr>
<td>1997</td>
<td>48.4%</td>
<td>108,430,090.0</td>
<td>3.58%</td>
</tr>
<tr>
<td>1998</td>
<td>45.0%</td>
<td>146,948,911.0</td>
<td>4.85%</td>
</tr>
<tr>
<td>1999</td>
<td>46.4%</td>
<td>150,052,846.0</td>
<td>4.96%</td>
</tr>
<tr>
<td>2000</td>
<td>46.4%</td>
<td>190,977,658.0</td>
<td>6.31%</td>
</tr>
<tr>
<td>2001</td>
<td>47.6%</td>
<td>179,922,940.0</td>
<td>5.94%</td>
</tr>
<tr>
<td>2002</td>
<td>44.6%</td>
<td>191,705,825.0</td>
<td>6.33%</td>
</tr>
<tr>
<td>2003</td>
<td>45.4%</td>
<td>149,174,042.0</td>
<td>4.93%</td>
</tr>
<tr>
<td>2004</td>
<td>44.9%</td>
<td>197,604,287.0</td>
<td>6.53%</td>
</tr>
<tr>
<td>2005</td>
<td>43.4%</td>
<td>198,833,464.0</td>
<td>6.57%</td>
</tr>
<tr>
<td>2006</td>
<td>42.9%</td>
<td>235,970,354.0</td>
<td>7.79%</td>
</tr>
<tr>
<td>2007</td>
<td>43.6%</td>
<td>301,373,557.0</td>
<td>9.95%</td>
</tr>
<tr>
<td>2008</td>
<td>40.8%</td>
<td>267,154,912.0</td>
<td>8.82%</td>
</tr>
<tr>
<td>2009</td>
<td>28.1%</td>
<td>230,126,269.0</td>
<td>7.60%</td>
</tr>
<tr>
<td>9999</td>
<td>22.0%</td>
<td>8,222,549.0</td>
<td>0.27%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>3,028,280,848.0</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Source: Computed by the authors

3.6 Remittance Utilization

Diaspora inflow into the domestic economies essentially takes the form of private cash transfers to families (remittances), portfolio equity investment in the corporate sector and portfolio investments in the financial
market. There is evidence of investments from this group as well as perceived role that the diaspora could play in enhancing and enabling positive utilization of remittances in their origin domestic economies. Not only does the diaspora community have the potential to invest in its own right, it also has the knowledge, expertise and experience that could be deployed in enabling private sector investment in the origin. Chart 4 depicts that in Kenya 12.7 percent of diaspora inflow was used for investment, Education (23.1 percent), Health (6.3 percent), Household Consumption (54.2 percent).

The World Bank under its programme, the Future of African Remittances (FAR), also carried out a study on remittance flows to measure and understand the remittance-sending process in sub-Saharan Africa. The research initially focused on three countries in East Africa – Ethiopia, Kenya and Uganda. The study was conducted in two phases (World Bank, 2010). Results from the World Bank Survey are significant: for Kenya, 59% of remittances recipients were male and 41% were female. This more or less contrasts with the national census demographic share of 51% female and 49% male, implying that proportionally more men than women receive remittances from abroad. The survey results show that a significant percentage is used on poverty-related items: 32% of those interviewed spent about 50% of the remittances on basic needs, an expenditure which has important implications for poverty reduction. These basic needs were food, clothes, housing, utilities and medicine (health).

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>12.7%</td>
</tr>
<tr>
<td>Education</td>
<td>23.1%</td>
</tr>
<tr>
<td>Health</td>
<td>6.3%</td>
</tr>
<tr>
<td>Household Consumption</td>
<td>54.2%</td>
</tr>
</tbody>
</table>

This study finding are favorably comparable to the survey findings by the World Bank conducted under the Africa Migration project, which found out that a significant amount of international remittances are spent on land purchases, building a house, business, improving a farm, agricultural equipment and other investments. The World Bank Survey indicates that 2.3 percent international remittances (outside Africa) are used to improve the farm, including purchase of agricultural equipment, 8.4 percent for purchase of land whereas 12.8 percent is used to buy food (Table 3).

Stark (1991), however, argues that the effects of remittances on income distribution depends on the stage of development of migration streams. As migration becomes more common, the costs of migration are decreased and most households can finance migration of one or more members. The relative contribution to household income of migrants from poorer households is likely to be greater than that from richer households, thus possibly acting to reduce income inequality. There is some support for this view, for instance, Makannah (1988) in a study of the effects of remittances on rural development in Sierra Leone, concluded that remittances improved
income distribution because of the higher proportion of income derived from remittances by the poorer households.

However, it notes that compared to other sectors, a relatively smaller percentage goes directly to the agricultural sector, with 24 percent going to other investments outside the agricultural sector, 9.6 percent to education, 7.3 percent to health, 11.2 percent to construction of new houses and 5.3 percent to rebuilding of house (Table 3). On the whole, it is important to note that expenditures on health, education and housing are likely to have a positive impact on agriculture and the environment. This means that strategies have to be developed to make agriculture more attractive to the diaspora.

Table 3: Use of remittances by recipient households in Kenya (percent of total remittances)

<table>
<thead>
<tr>
<th>Use of Remittances</th>
<th>Remittances Outside Africa</th>
<th>Remittances within Africa</th>
<th>Domestic remittances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>12.8</td>
<td>14.5</td>
<td>29.7</td>
</tr>
<tr>
<td>Education</td>
<td>9.6</td>
<td>22.9</td>
<td>20.5</td>
</tr>
<tr>
<td>Health</td>
<td>7.3</td>
<td>5.8</td>
<td>7.0</td>
</tr>
<tr>
<td>Clothing</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rent (House, land)</td>
<td>5.7</td>
<td>0.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Cars/Trucks</td>
<td>1.3</td>
<td>1.0</td>
<td>0.4</td>
</tr>
<tr>
<td>Marriage/funeral</td>
<td>3.1</td>
<td>0.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Construction of new house</td>
<td>2.6</td>
<td>11.2</td>
<td>27.5</td>
</tr>
<tr>
<td>Rebuilding of house</td>
<td>5.3</td>
<td>3.1</td>
<td>1.3</td>
</tr>
<tr>
<td>Purchase of land</td>
<td>8.4</td>
<td>7.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Improvement of farms</td>
<td>2.3</td>
<td>0.4</td>
<td>4.4</td>
</tr>
<tr>
<td>Business</td>
<td>3.9</td>
<td>8.4</td>
<td>13.0</td>
</tr>
<tr>
<td>Investment</td>
<td>24.2</td>
<td>0.6</td>
<td>4.7</td>
</tr>
<tr>
<td>Other</td>
<td>7.2</td>
<td>6.6</td>
<td>6.9</td>
</tr>
</tbody>
</table>

Source: Adapted from World Bank, ‘Leveraging Migration for Africa, Remittances, Skills and Investment’, page 64.

The survey also found out that there are gender–specific differences in the use of remittances; implying female-headed remittance-receiving households have a tendency to spend more on health and education. This expenditure implies that remittances are used in conserving/building the household human resource base. It was also established that households which receive remittances had more access to information and communication technology (Table 4). It suggests that there is a direct link between migration, international remittances and high knowledge and awareness of issues, particularly on political issues and rights.

Table 4: Access to information and communication technology in Kenya by remittance status

<table>
<thead>
<tr>
<th>Communication device used</th>
<th>Remittance status by type of household</th>
<th>Households receiving domestic remittances</th>
<th>Households receiving remittances from within Africa</th>
<th>Households receiving remittances from outside Africa</th>
<th>Households receiving no remittances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile phone</td>
<td></td>
<td>79.5</td>
<td>82.3</td>
<td>87.0</td>
<td>77.3</td>
</tr>
<tr>
<td>Radio</td>
<td></td>
<td>84.8</td>
<td>86.7</td>
<td>88.9</td>
<td>82.7</td>
</tr>
<tr>
<td>Television</td>
<td></td>
<td>50.4</td>
<td>56.6</td>
<td>76.2</td>
<td>52.2</td>
</tr>
<tr>
<td>Computer access</td>
<td></td>
<td>7.1</td>
<td>17.7</td>
<td>30.4</td>
<td>20.6</td>
</tr>
<tr>
<td>Number of observations</td>
<td></td>
<td>395</td>
<td>113</td>
<td>369</td>
<td>1,065</td>
</tr>
</tbody>
</table>

Source: Adapted from the ‘World Bank, Leveraging Migration for Africa, Remittances, Skills and Investment;’

Nonetheless, it is clearly acknowledged that well-managed migration has the potential to yield significant benefits to origin and destination States. For instance labour migration has played an important role in filling labour needs in agriculture, construction and other sectors, thus contributing to economic development of many destination countries in Africa.
Conversely, the beneficial feed-back effects of migration such as remittances, knowledge and skills transfers, and return migration have in some cases made major contributions to economies of origin countries. However, mismanaged or unmanaged migration can have serious negative consequences for States’ and migrants’ well-being, including potential destabilizing effects on national and regional security, and jeopardizing inter-State relations. Mismanaged migration can also lead to tensions between host communities and migrants, and give rise to xenophobia, discrimination and other social pathologies.

The realities of migration in Kenya, just as in many other countries in Africa, including its increasing importance and untapped potential, underscore the need for States to develop comprehensive policies on migration. Such efforts will require enhanced dialogue on sub-regional, regional and pan-African levels. The results of studies on the impact of migration on households of origin are more diverse. Skeldon (1997) argues that rural-urban migration is particularly beneficial as a means of alleviating poverty in rural areas. He notes that remittances from temporary migrants provide rural families with cash incomes that can be used to sustain their rural way of life.

On the other hand, Oberai et al. (1989), argue that remittances obtained through migration raise the incomes of poorer households in three areas of India. They provide a very positive view of the effects of remittance. Other researchers argue that while remittances might benefit households with migrants, at the aggregate level the effect is a worsening of the distribution of income in their rural areas of origin, with migration being more likely to occur from the better-off households. These households have the ability to finance migration and disproportionately receive the benefits of increased income derived from remittances.

5. Discussion and Conclusion

The analysis reveals that recent flows of emigrants are relatively more gender balanced and on average much younger than previous cohorts. However, there appears to be no clear process of skill selection or brain drain of migrants from Kenyan counties, i.e. the education profile of migrants is similar to the education levels of the overall population in counties of origin. However, the study notes that human capital accumulation is crucial in terms of the contribution that migrant workers make to development in their households of origin as illustrated by the amounts of remittance that they send back.

Over the last few years, there has been an increase in the volume of remittances into the country. However, in comparison with other developing countries, the country still attracts low volume of remittances, has a limited capacity to channel such remittances into productive investments. Nonetheless, due to limitations on the data, the study is not able to establish the favoured channels of remittance; just as data on the cost of remittances from varied source countries was not available.

Remittances are associated with increased household investments in education, entrepreneurship, and health—all of which have a high social return in most circumstances. The findings of this study corroborate with studies based on household surveys in El Salvador and Sri Lanka that note that children of remittance-recipient households have a lower school dropout rate and that these households spend more on private tuition for their children. In Sri Lanka, it is observed that the children in remittance-receiving households have higher birth weight, reflecting that remittances enable households to afford better health care. Several studies also show that remittances provide capital to small entrepreneurs, reduce credit constraints, and increase entrepreneurship. Thus, it would be most appropriate were it that much of the remittances to Kenya were utilized in entrepreneurial investment, so as to spur development.

Future researches on remittances should be particular and specific on the item to be measured as it provides an accurate aspect of remittance, whether monetary or social remittance. The most important question is or would be, “what do we really intend to measure?” This paper agrees with Reinke et al., (2004) that data on migration and remittances and their influence in development process and poverty reduction needed by policy makers are partly outside the framework of balance of payments statistics. To that end, Balance of Payment (BOP) statistics should be supplemented by data from household surveys, both in sending as well as in receiving countries.

Data management needs to be reinforced as it is the backbone of any policy making. This paper acknowledges that in the history of Kenya Censuses, the first time emigration data was collected was during the 2009 Kenya Population and Housing Census. However, the analysis noted that some deficiencies on data were due to inability to merge all the household questionnaires with the emigrant’s questionnaires. This led to a reduced number of cases (i.e. emigrants’ questionnaires) used in the analysis; as all the households that made mention of having had an emigrant but could not be subsequently merged with respective emigrant’s questionnaires.
The impact of remittances needs to reconsider time dimension. Impact of remittance transfers takes some time to be felt. Thus, longitudinal surveys would be more appropriate. It would, be plausible were it that the Kenya National Bureau of Statistics in collaboration with Population Studies and Research Institute (PSRI) of the University of Nairobi, the World Bank, DFID, and other development partners could work out modalities of undertaking a nationwide research on migration to address some of the identified concerns. It would also make more sense to interrogate the effects of remittances on the gender dynamics and female empowerment given that most emigrants are men.

The impact of remittance on poverty reduction is complex and the effect is not always direct. More (2005), however, argues that remittances, being gifts without a counter-flow, are the best means of targeting the MDGs, in particular poverty reduction. This argument implies the neglect of remittances in the MDGs. The UN Millennium project entitled “Investing in Development: A Practical Way to Achieve the MDGs” mentions remittances in passing as a possible positive effect of migration, emphasizing the need for comprehensive approaches to migration management in the context of poverty reduction. Yet migration is by no means appropriate strategy to achieve the MDGs as its impact depends on the political, social, legal and economic environments in which the migration takes place and resources as well as behaviour of individual migrants (IOM, 2006: 20).

To address these issues, there is need for new policies and initiatives at the level of four key stakeholders to diaspora-led inflow: origin country governments, host country governments, multilateral institutions and the diaspora community itself. There is also the need for an instrument at the national level that would enable and sustain Kenyan diaspora-led investments into the country.

References
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