

Through the transnational lens: The influence of migrants on the economy of Accra, Ghana¹

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Abstract: Over the past two decades a debate has arisen between scholars largely opposed to migration from developing countries and those who favour migration for its impact on the economies of developing countries. Rising interest and involvement of other actors in this debate on the relationship between migration and development, notably governments of sending and receiving countries, has only polarized this debate resulting in two main schools of thought: the anti-migration school gives primacy to issues such as ‘brain drain’ and social issues related to the migration process itself to argue for restrictive measures that would counter mass migration especially when remittances are seldom used ‘productively’ in countries of origin of migrants. In contrast the pro-migration school emphasizes how, even informal migrants, who have arrived in the west through risky and expensive informal routes are still able to support their families, friends and others in their countries of origin, contributing to the local economy, through the remittances they send. From own research in Accra, the capital of Ghana, on transnational influences of migrants on the local economy, I do incline towards the arguments of the pro-migration school, although I stress that two factors need to be taken into consideration. First, transnational relations provide differential benefits to local actors in the countries of origin of migrants, i.e. there may be major differences in the gains which local actors derive from transnational relationships with migrants. Second, transnational relationships of urban actors with migrants are, more often than not, two-way flows. Thus relationships with migrants not only provide benefits to urban actors, notably in the form of remittances, they often also require substantial investments of own resources by urban actors.

Introduction

Transnational flows and networks as components of globalization has been argued by various scholars in the past few years. Thus for sub-Saharan Africa a number of authors note that many urban dwellers draw on transnational relationships with migrants abroad to organise activities in the urban economy (M.P. Smith 2001; Clark 1999; Tacoli 2002; Roberts 1997). To some extent this shift from local to extra-local economic affiliations has resulted from declining opportunities to secure state employment in urban areas, following the implementation of liberal policies from the 1980s onwards (notably the Structural Adjustment Programme) which has shifted the urban economy in sub-Saharan Africa towards entrepreneurial activities (Owuor 2006; Potts 1995; Simone 2004; Jamal and Weeks 1988). On the other hand this shift has also resulted from an increasing

¹ This paper reports on results of a collaborative research program between the University of Amsterdam (AGIDS), Vrije Universiteit Amsterdam (AOE), Amsterdam Institute for International Development (AIID), and African Studies Centre Leiden, in the Netherlands and the Institute of Statistical, Social and Economic Research (ISSER), in Ghana entitled “Transnational networks and the creation of local economies: Economic principles and institutions of Ghanaian migrants at home and abroad.” (Nederlandse Organisatie voor Wetenschappelijk Onderzoek (NWO) grant number 410-13-010P)

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integration of national and urban economies of developing countries into the global economy, helped by technological and communication advancements. These have also helped to allow those who had been able to leave their country during the 1980s to reinvest in their country of origin.

In this paper I discuss main findings from research conducted in Accra between 2002 and 2004 on the influence of transnational ties with migrants on economic activities of urban actors. In the next section I provide the empirical approach of this research. Initially however I dedicate a few paragraphs to the context of this research: the relationship between migration and economic developments in Accra.

The influence of migrants³ in the local economy of Accra manifests itself in many ways. The ongoing expansion of the city, whereby agricultural land steadily makes way for low density suburbs, is testimony to the economic influence of migrants on Accra's economy, as most of these houses are built for, and paid by, migrants. The influence of migrants can also be seen in the names of businesses. These show obvious links to foreign places where migrants live(d). The influence of migrants is also visible in other activities around Accra. Thus in *Makola*, the central market of Accra, numerous hawkers sell second-hand clothes imported by migrants. Elsewhere concentrations of small businesses can be found which may specialize in the sale of second-hand cars, their spare parts, second-hand household appliances (fridges, televisions, etc). These economic activities feed into a local perception, especially amongst the urban poor, that migration, and/or links to migrants, can provide them with opportunities to improve their lives. Thereby migrants also become an important channel through which urban actors can take part in the global economy.

Migrants also influence the local economy in less obvious ways. Thus transnational ties with migrants may lead the latter to help out with educational expenses. Furthermore, urban actors may also be able to gain financial support of migrants with establishing, or else sustaining, income-generating activities. Migrants may help them overcome crises. Finally, migrants may 'sponsor' the trip of local actors to a foreign destination. Transnational ties with migrants therefore seem highly valuable to urban actors; they enable them to meet immediate livelihood needs, but also help them embark on activities that can help them improve their livelihoods in more structural ways. These elements, many positive in their effect, show how migrants influence the economy of Accra through direct ties with local actors. It is on these transnational ties between urban actors and migrants and the influence of these relationships on activities of urban actors, that I have focused my research the past few years.

The impact of migrants on the economy of Accra, or more generally that of Ghana which we have described above, well fits the general argument of migration studies that migrants provide economic benefits to their countries of origin. Thus recipients of remittances consider their transnational ties with migrants as crucial channels through which they can gain access to resources that are scarce in their own environment. These

³ In this paper '*migrants*' refers to Ghanaians who are based abroad. It does not apply to internal migrants or to migrants who have moved to other countries in the West African subcontinent.

resources can help them engage in economic activities, overcome crises, and generally improve their lives. While generally this view of migrants being important stimulants of the economies of their countries of origin also holds for Ghana, and more particularly for Accra, it does not give any indication of the variation in this role for local actors. Insight in such variation is, in my view, crucial. Thus our own analysis of transnational flows between migrants and urban actors reveals that urban actors often reciprocate remittances received from migrants with investments of time and other resources. This implies that such transnational relationships consist of two-way investments rather than one-way flows, as studies of remittances which migrants send to their countries or origin suggest.

Our analysis of which urban actors were involved in transnational exchanges which related to different economic domains also showed the role of the institutional context in which transnational relationships were embedded, but also the role of the level of financial and/or human capital held by respondents, as well as their personal motivations and interests for engaging with migrants. All these are factors are seldom taken into account in research that only focuses on (formal) flows of remittances.

Remittances, it is understood, can play an instrumental role in supporting economies in developing countries. To understand what conditions are necessary to encourage migrant investments in their countries of origin, and ensure that these investments are also effective in producing a stronger economy, policymakers, practitioners and migration scholars have increasingly made attempts to bundle their efforts. This is also the case for Ghana as evidenced with the *International Migration and Development Conference*, held in Accra in September 2004. This conference brought together researchers, politicians and practitioners to discuss the role of migration for Ghana's economy. Its main tangible outcome, the edited volume: "*At Home in the World?*" (Manuh 2005) provided a valuable overview of different perspectives and current insights on the relationship between migration and development for Ghana.

Yet in my view this publication could have been even more valuable had it also included case studies that explored the role of the migration-development nexus at a local level, be this the rural or urban economy. Such studies would have given more comprehensive insights in how and why migrants become involved in local economies, what role local actors play in this involvement of migrants, and how this also influences them. Providing insights into how migrants influence an urban economy, in this case being Accra, was the focus of my research project and in this paper I present a number of main findings.

Below I briefly present the empirical approach of my research before I move on to the central arguments of this paper, comparing my findings with general arguments raised in the debate on the migration-development nexus.

Empirical approach

To examine how social networks, in particular transnational ties with migrants, influenced urban actors in their activities, the research approach taken was as follows: This research was part of the *Ghana TransNet* research programme. In this programme a

multi-sited approach was taken. Thereby contemporaneous research was conducted in three important geographical locations, connecting migrants through transnational networks to relations in Ghana. Thus Amsterdam was taken as a location for migrants, given the Ghanaian migrant community based there. Ashanti Region formed an important rural economy to which migrants connected as a region of origin in Ghana. Finally Accra was considered the most important urban economy in Ghana within which many migrants sought to invest savings (Mazzucato 2000).⁴

Transnational networks of migrants formed the empirical unit of analysis at the programme level. These networks were identified in the following way. During the first phase, an explorative field research in Amsterdam, contact with migrants was sought through a range of 'gateway' activities: neighbourhood visits, participation in social events, attendance of church services and being involved with migrants in cultural projects. This had the specific aim of becoming acquainted with, and trusted by, Ghanaian migrants in Amsterdam. When a trusting relationship had developed, the purpose of the *Ghana TransNet* research was explained and migrants were asked to participate in the project. When they agreed a name generator exercise was conducted with which their social networks were established. Once the Amsterdam researchers had conducted research with a sufficiently diverse population of Ghanaian migrants a selection was made of a smaller number of migrants with whom to continue research for the second phase of the programme. This selection took into account variations in individual (income, length of stay abroad, age, gender) and network characteristics (size network, types of relationships). In this second phase research was conducted in three principal locations (Amsterdam, Ashanti Region and Accra) with actors who were part of the social networks of migrants. For this migrants were also asked to provide contact details *and* permission to approach their relatives in the Ashanti Region and in Accra (Mazzucato 2005).

For the Accra project this selection method resulted in a research population of 38 respondents who had active ties with Ghanaian migrants in Amsterdam. For one and a half years I conducted a range of qualitative and quantitative research methods with these respondents. These included monthly transaction studies whereby monetary and other exchanges with others, including migrants, were recorded for a range of economic domains, a name generator and semi-structured thematic discussions. Triangulating insights and information with my fellow researchers in Amsterdam and the Ashanti Region provided further, and sometimes contrasting, insights which helped to understand how transnational ties with migrants influenced activities which urban actors engaged in.

While this paper confines itself to the findings from the Accra research,⁵ the transnational approach at the programme level did help to reveal that research which confines itself to one location (mainly 'migrant communities') and/or to monetary flows only, to study the impact of migration, provides incomplete insights. To gain insight in *how* transnational investments take place (and what conditions were necessary, including prior investments

⁴ For more information on the programme see the program website: <http://www2.fmg.uva.nl/ghanatransnet>.

⁵ On the website <http://www2.fmg.uva.nl/ghanatransnet/output> output of the Ghana TransNet research programme has been listed, including joint efforts.

in the relationship) and what they *mean* for the actors involved I explored the institutional embedding of transnational relationships, the history of exchanges between migrants and urban actors. This also helped to establish that transnational relations are often two-way and not just one-way flows.

In the next section I synthesize main findings from my research. Thereafter I discuss whether a transnational-institutional approach provides new insights in the influence of migration on urban economies of developing countries and the social-economic position of the urban actor. I end with a number of recommendations for all those concerned with the migration-development nexus.

Synthesis of findings

In this section I discuss major findings for three economic domains for which I conducted research with respondents on the role of transnational relationships with migrants. These domains are: transnational investments in houses, transnational investments in urban business and transnational influences on social security arrangements of urban actors. These domains not only provided insights in different kinds of economic influences of migrants on the urban economy, but also helped establish whether involvement of urban actors with migrants transcends different domains.

Our focus on economic domains might suggest that we do not explore the social and cultural meaning of transnational relationships of urban actors with migrants. On the one hand this does seem to be the case with our explicit objective of understanding how migrants have an economic impact on the economy of Accra. However on the other hand we argue that cultural and social factors cannot always be separated from economic interests. In a co-authored article with the other two researchers of the *Ghana TransNet* research program we discussed the organization and significance of a transnational funeral. While funerals are often seen as cultural events, we showed at a transnational level that such a funeral also had important economic and social dimensions (Mazzucato *et al.* 2006). This also reflects the importance of taking into consideration the institutional context of transnational exchanges.

Given that this is also our point of departure we turn to the main economic interests of urban actor for sustaining transnational relationships with migrants. What are these? We identify two key interests: First, ties with migrants provide urban actors with means to make economic gains if these relationships lead to their involvement in investments in economic activities in Accra. Second, ties with migrants can help to improve the social security of urban actors.

While economic gains and social security are goals that urban actors can, and often will, pursue at the same time, they do not always go together. I.e. in some cases urban actors are involved with migrants in economic gains but not in social security arrangements, or *vice versa*. At the same time empirical findings do show that some of the respondents in my research were able to improve their social security by being involved in transnational investments of migrants, i.e. there was a strong interrelationship. Whether, and how,

economic gains and social security complement one another is the focus of the next few paragraphs. From this discussion we derive major dimensions to explain differences in involvement with migrants between respondents.

Economic gains

For urban actors transnational investments in houses and businesses provide a potential source for making economic gains. Yet only some of the respondents in this research were involved with investments of migrants in own houses and businesses in Accra (i.e. of these migrants). The involvement of these respondents and non-involvement of others not only related to whether they had many or few ties to migrants. While links to various migrants did broaden the choice of partners for urban actors, own skills, financial resources, perceived and proven trustworthiness and the kind of relationship they had formed equally important criteria. Many of the poorer respondents were unable to fulfil these criteria and therefore had less chance to become involved in such projects.

This finding suggests that transnational investments increase inequality between those urban actors, generally the more well-off, who *are* able to become involved with migrants in housing and business investments, and those who are not. Thus respondents with few resources and meagre or insecure incomes were least involved in housing projects of migrants. Not only were these respondents generally less well experienced in coordinating such projects, they also presented a higher risk to migrants. Being in an economically vulnerable situation these actors might more easily feel justified to allocate some of the funds remitted by the migrant for the house to meet own needs. While the more well-off rather than those less well-off were involved in transnational investments in houses, and similarly in more instrumental and larger business investments, the economic gains they derived from this involvement could trickle down to other actors in Accra and Ghana: From these gains urban actors could provide support to their own alters, providing them loans, employment or helping them overcome crises.

In Smith (forthcoming) and Smith and Mazzucato (2004) transnational investments in houses and businesses were discussed. Thereby, in the former the position of a small group of relatively wealthy respondents was also discussed. These respondents saw few benefits from being involved with investments of migrants in Accra. This related to the fact that they did not depend on these to improve their income or livelihood situation, as they derived sufficient income from own businesses or (relatively) well-paid formal employment. Thus where these respondents were involved they asserted that this involvement was more out of sympathy for migrants they knew well, knowing that these migrants were unable to find someone else in Ghana who was capable and trustworthy enough to carry out the project for them.

Concerning business investments some of these wealthy respondents argued that migrants played no role in their businesses as they were unable to provide any useful input. These respondents had sufficient access to financial means with which to maintain and expand their businesses. Furthermore, as foreign business partners, they considered migrants less suitable as they lacked the necessary funds to sustain intensive transactions, lacked

entrepreneurial skills, and/or did not have the necessary aim of becoming a long-term foreign partner, as they intended to return to Ghana once they had generated enough savings.

While from the previous paragraphs it emerges that I perceive involvement of urban actors in transnational housing and business investments predominantly as activities which can provide economic gains to urban actors, I also need to explicate that for some of these respondents their involvement also enabled them to maintain, and even strengthen, their ties with migrants. This might not provide immediate benefits for them, for instance in the form of reciprocal investments, but this could change in the long term, for instance when these migrants would feel obliged to help the urban actors overcome crises.

An important difference between transnational investments in houses and in businesses concerns the greater variety of transnational activities associated with businesses, and objectives they relate to, if compared with those concerning investments in houses. Thus transnational involvement in housing investments enable urban actors to derive benefits from the relationship they develop with a migrant, while the end result (the house itself) of their commitment is generally only intended to benefit the migrant. In contrast transnational investments in businesses are more diverse as respondents may be able to continue to gain benefits from the business once it has been established. This is the case for respondents who receive financial support for their businesses, which helped them establish businesses, but may also apply for co-owned business activities or business activities in which respondents are given a managerial role.

Does this make transnational investments in houses fundamentally different from those concerning businesses? The answer to this is both yes and no. They are not fundamentally different from one another if the conclusion is that both primarily provide urban actors with the opportunity to derive economic gains from ties with migrants. Yet they are quite different in the sense that where migrant investments in houses generally entailed implicit understanding of what benefits this would provide to the urban actor, for various transnational business investments benefits of being involved were explicated.

Social security

The second main economic interest of urban actors for maintaining transnational relationships with migrants concerns social security. Given the insecurity often associated with urban lives, the interest of urban actors for trying to gain social security through transnational ties with migrants is hardly surprising. What conditions had to be met for urban actors to secure support from migrants?

First, the involvement of respondents with migrants highly depended on whether the crises they faced primarily affected them or (also) a part of their social network, notably the extended family. The difference between these two kinds of impact affected how respondents, also in the context of their urban location, could draw on migrants for support. Thus most respondents related how only for more severe personal crises they

would turn to migrants to seek their support. This derived from their general perception that rural actors, more than urban actors, should be the primary recipients of support from migrants. At the level of the family respondents therefore also more readily called on migrants to provide them with financial means to help them overcome crises which affected their extended families as a whole, such as the death of an important family member. While migrants who related to the deceased and the respondent as (extended) family were primary sources of such support, friends also played roles of significance in helping respondents overcome crises such as funerals in their family for whom they were made financially responsible.

Second, the economic situation (real and perceived) and urban position of respondents also related to their interest for different kinds of social security measures. Thereby for some respondents *ex ante* measures could reduce their dependency on *ex post* measures. What are *ex ante* and *ex post* measures? I define *ex ante* measures as activities which enable actors to smooth fluctuations in their level of income. *Ex post* measures, on the other hand, concern coping strategies of actors following the occurrence of a crisis.

Regarding *ex ante* measures I found that more well-off respondents diversified their sources of income, investing in a range of income generating activities, both in Accra but also elsewhere. Furthermore some respondents also invested in others, supporting their education or investing in their journey to a foreign destination where they would try to gain a better income and generate savings. Such sponsorships need to be seen as *ex ante* measures as they ensure that other actors, by improving their income situation, are able to help urban actors overcome crises, both personal and family related. Other *ex ante* measures besides these investments in their social networks respondents were often also member of formal social security measures such as state health care, life assurance and welfare schemes.

For poor respondents *ex ante* measures were simply not an option because they did not have access to all kinds of formal security measures but more often because they were unable to set aside a fixed share of their income every month given their fluctuating incomes and their need to address more immediately pressing needs concerning their upkeep and the upkeep of those they support. Hence these respondents largely depended on their social networks, including migrants, to provide them with support at times of crisis. Thereby they would seek the support of counterparts, in Ghana and abroad, whom they had supported in the past (i.e. reciprocity). If this did not lead to sufficient support, or if further support was required due to the crisis remaining, they might also seek to gain the support of alters, notably migrants, whom they sought to motivate in providing them their support by explicating norms entailed by their relationship, e.g. as extended family, church or hometown members. Thus it also emerges that not only family but also friends play important roles in *ex post* measures of urban actors.

Being involved in various formal and informal social security measures, *ex ante* and *ex post*, did have the implication that respondents would not only be able to benefit from these arrangements at times of crises, they were also expected to provide support to their alters. This was also evidenced in the number of donations which respondents provided to

others, notably friends and church members who were also based in Accra, who had been made responsible for the organisation of funerals of their family members.

Important dimensions of transnational relationships

Following the discussion of economic gains and social security I turn to the dimensions which, in my view, were instrumental for explaining the involvement of migrants in economic activities of urban actors. In the discussion below I discuss the role of reciprocity (and social capital), trust and the urban economy:

Reciprocity and social capital

The involvement of respondents in migrant investments in houses was a process not only initiated by migrants but also by respondents. Respondents provided detailed explanations of the reasons and strategies why they sought to become involved in migrant investments in houses. These reasons also concerned the benefits they might be able to derive from this involvement. Thus some respondents anticipated that their efforts would be directly rewarded with remittances and other forms of support from migrants, helping them improve their lives. For other respondents their involvement provided them with an opportunity to bind themselves to migrants and build up social capital, which might ensure future return investments by migrants in their own activities.

Whilst reciprocal support formed the main explanation for the willingness of respondents to invest in housing, but also in business projects, of migrants the question arises whether such reciprocity was also of importance in other transnational activities between respondents and migrants. When I examine all forms of support between respondents and migrants from the viewpoint of personalized relations, thereby focusing on the institutional context and history of exchanges embodied in these relationships, the involvement of migrants in other activities of respondents can be explained as one element in a trajectory of reciprocal exchanges that concern a range of economic domains. Thus support provided to a respondent with setting up an own business may well be the result of this respondent having helped a migrant overcome a crisis some time before.

Trust

From our empirical data it emerged that a certain level of trust is also required for urban actors to become involved in investments of migrants in houses and businesses. The quest of migrants to find a trustworthy local person in Accra is highly understandable given their efforts to save enough money to make such investments. Respondents who sought to become involved in such migrant projects also recognized the importance of trust where large investments are concerned and provided various accounts of mismanagement in other transnational projects by Accra partners of migrants. Thereby they explained that the failure of migrants to adequately test the trustworthiness of the Accra person through tasks of increasing complexity and value was often the reason for the failure of these

projects. If the migrant did not ask someone else to independently monitor the activities of the main person responsible in Accra this often aggravated the situation.

Trust not only relates to the reliability of urban actors but also to their ability to separate other interests from those of the migrant. In Smith (forthcoming) I discuss the importance of friendships between urban actors and migrants as enabling migrants to maintain a geographical and social-cultural distinction between economic interests in Accra and other concerns, notably the well-being of the extended family in their hometown. In the view of respondents involved as friends in urban investments of migrants, a separation of interests was much more difficult to realize for urban actors who related to migrants as family members rather than friends, as they would be more likely to find with conflicting interests over the allocation of resources intended for the urban investment versus the needs of the extended family.

While family members might then be less likely candidates, friends still needed to show that they would be reputable and did not have conflicting intentions of their own with regard to the allocation of resources remitted by the migrant. For this some respondents based their reputation on a network of friends (e.g. through a church, or 'old boys' network), others by building up trust with migrants through reciprocal investments of increasing importance, showing their reliability and capability in handling these projects. Finally some respondents took the initiative of engaging in personal matters and responsibilities of migrants, hoping that thereby migrants would consider them to be trusted friends through whom they could achieve urban investments. Some scholars refer to such friendships as 'fictive kinship' (whereby friends mutually consider one another as family, with all associated responsibilities). Yet in the context of this research this notion is somewhat problematic given the fact that urban friends were often chosen over family by migrants precisely because investments in urban houses and businesses sometimes conflicted with needs of the family.

In sum the emergence of friends as important actors through whom migrants are able to make investments in their country of origin, notably in the urban economy, points at changing socio-economic configurations and changing roles of institutions such as friendship and kinship, but also the meaning of investments in houses and businesses. Below I discuss this further.

The urban economy

Beyond exploring how transnational investments were organized I also discussed with respondents the meaning of transnational investments, notably in relation to shifting economic and social interests of migrants and urban actors towards the urban economy.

Do business and housing investments of migrants realized in Accra with support from urban actors, constitute a break with social norms set by institutions which committed all Ghanaians to the rural economy, to their hometown? I concur with Clark (1999) to argue that this is not the case. Within Ghana the Asante in particular have a longstanding history of migration, and have thereby been involved in urbanisation processes for

centuries, albeit before this was primarily to Kumasi, the capital of the Ashanti Region. This urbanisation process has always contested prevailing norms of institutions such as the extended family and ethnicity, which are strongly rooted in the rural economy (*ibid*). The question is then whether investments in Accra have different meanings and implications from those that resulted from earlier migration processes. I.e. could investments of migrants in urban houses, especially when completed with the help of a friend rather than family member, imply that migrants were beginning to sever their economic and social ties with their rural families and hometowns? From accounts of respondents who had built own urban houses it emerged that the economic opportunities of the economy of Accra formed the most important reason for them to invest in houses in Accra. Migrants provided respondents with similar explanations of their choice to invest in urban houses.

Urban houses were also considered important investments. Most importantly they maintained their value, keeping pace with the inflation of the Cedi, Ghana's national currency. Furthermore they also provided healthy sources of income if rented out either before the migrant returned to Ghana but also when they decided to retire to their region of origin.

Respondents who had built own urban houses, but also those who had been involved with migrant housing projects, also pointed to the importance of the geographical distance between Accra and the Ashanti Region, the region of origin of most of the migrants with whom respondents maintained relationships. In the view of these respondents the preference of migrants for staying in Accra upon their return to Ghana, and for setting up businesses there rather than in Kumasi (the capital of the Ashanti Region) or their hometown, related mainly to the desire and need of migrants to maintain certain autonomy *vis-à-vis* their extended families. This distance gave them some agency to determine when, and what support they gave to members of their extended families, without this compromising their own livelihoods and standard of living. Yet, the fact that migrants were willing to channel some of the profits of their businesses in Accra through respondents in Accra to their extended families, notably at times of crisis, suggests that transnational investments in the urban economy do not necessarily imply a diminished economic and social relationship of migrants *and* urban actors with their rural counterparts.

Theoretical implications

Introduction

Transnationalism and institutions were the two central theoretical concepts of this research. Transnationalism perceives a connectedness between actors located in different places, in different nations, arguing that local activities, social, cultural or economic, are sometimes transnational constructions and therefore also need to be examined from this perspective. Thus transnationalism studies flows in transnational relationships. These flows may be of ideas, of goods, of money and/or of people. Through its emphasis on

connectedness transnationalism also emphasizes that flows may be two-directional and related to activities in all kinds of economic domains.

The focus on institutions provided insights on the role of social-cultural, economic and geographical contexts in which relations between urban actors and other actors, notably migrants, are set. Thus institutions such as the extended family, the church, or friendships through work, or an 'old boys club', can play instrumental roles in guiding social and economic behaviour in transnational relationships by providing collective norms, rules and sanctions. As some of the institutions derived from specific geographical, social-cultural or economic contexts, I also explored which institutions were able to support the 'connectedness', whether social, cultural and/or economic, of urban actors with migrants.

In the next few paragraphs I discuss whether and how a transnational-institutional framework provides new insights in the linkage between migration, economies and the position of urban actors in a global economy. Thereby I focus on four issues:

- the relevance of social networks and actors as analytical points of departure,
- the importance of transnational ties for urban actors,
- the role of institutions for transnational relationships, and
- a transnational perspective on urban economies

The relevance of social networks and actors as analytical points of departure

In this research urban actors and their social networks formed the units of analysis. The choice to focus on actors and their social networks to study transnational flows derived from insights of other scholars concerning migration, mobility and livelihoods in sub-Saharan Africa (*cf.* Clark 1999; Hanson 2005; Roberts 1997; Mazzucato and Niemeijer 2000; Anarfi *et al* 2005). These scholars argue how social networks form a much more suitable empirical point of departure with which to capture the dynamics of the economic and social lives of actors than fixed units such as the household or family, even when these latter units do take multiple locations of members into account. Thus Clark (1999) argues how studies of the Akan which take the household or family as their unit of analysis would fail to grasp the elasticity of the institutional and geographic affiliations through which the Akan organise their lives.

I found that respondents maintained social networks which linked them to urban dwellers in Accra, people in their rural hometowns and elsewhere in their region of origin, and to foreign based migrants. Yet important differences existed between respondents in terms of the size and heterogeneity of their social networks. In essence poorest respondents had the smallest and most homogeneous networks, networks which mainly consisted of strong ties with their families, and only included one or two ties with migrants (close family members). These respondents could not afford to give much support to their rural alters as they were already struggling to meet their own livelihood needs, they were not members of local organisations as they could not afford to pay the dues and/or donations required, and were only able to maintain ties with migrants for as long as the latter felt that they should maintain contact with them, and/or provide them with some support. At

times of crises these respondents had few alters other than the one or two migrants who were able to provide them financial support.

Our most wealthy respondents also did not have the largest social networks. For these respondents their social ties to their own family, but also to other alters, primarily constituted a financial burden rather than benefit, as they did not need these ties to maintain and improve their livelihoods. Hence they limited their ties with their alters, particularly strong ties, only investing in a few alters, mainly own family members, for instance sponsoring their trips to foreign destinations or their education, thereby showing that they were concerned with the plight of their families. However also their ties to migrants often constituted more of a burden than benefit to them, as these ties were hardly relevant for their livelihood strategies: they derived their income from formal employment or ownership of medium to large businesses, and thus did not need to depend on ties with migrants for resources or an income. Yet they were often asked by migrants to take local responsibility for their urban investments. When they accepted this task this was primarily to gain the respect of the migrant, not for financial benefits.

Respondents situated between the above two extremes of relatively poor and rich respondents generally had the largest and most heterogeneous networks. They maintained ties with alters, in- and outside Ghana, to whom they related as family, friends or through work or an organisation. Many of these respondents depended on their networks for maintaining their urban livelihoods in an urban economy which has become increasingly informal (Rakodi 1997). Ties with migrants thereby form one of few avenues for urban actors to gain access to resources with which to maintain income generating activities, or engage in new ones. These ties can also help them overcome crises. In order to derive support from their migrant alters these respondents showed a preparedness to invest own resources in the activities of these alters, hoping that these efforts would be reciprocated with resources they would not have been able to access through own activities in Accra.

The importance of transnational ties for urban actors

As has already emerged in prior sections, it is important to acknowledge that transnational relations more often entail two-directional than unidirectional flows between urban actors and migrants. Yet, as also discussed earlier on, it is the latter view which continues to dominate in literature on the relationship between migrants and actors in their countries of origin and migration related policies. To some extent this is the result of remittances studies being the preferred documentation. While these studies are helpful in showing the scale of flows of financial means from migrants to their country of origin, they are misleading by only discussing monetary flows and not also other kinds of flows (e.g. goods, services). Furthermore many remittance studies analyse registered remittance flows while many migrants (also) send remittances through informal channels (Mazzucato *et al* 2005).

In terms of whether flows between migrants and urban actors are often two-way rather than on-way flows I found evidence that many respondents had often made, and often continued to make, substantial investments in transnational relationships with migrants,

spending time, money and other resources on activities which (also) benefited migrants. To varying extent this was the case for respondents who related to migrants as family members. For respondents who were befriended to migrants it was certainly the case. Thus the transnational lens, and the use of research tools that specifically examined transnational flows, reveals the engagement and commitment of urban actors to migrants and their activities in the urban economy, even when the nature and extent of rewards they might derive from the migrant for their input was not clear.

What also emerges from empirical findings is the difference between respondents in the level of involvement with migrants as according to their income situation, and to some extent their human capital. A few studies have already reported how it is usually *not* the poor who migrate to foreign countries (Skeldon 2004; De Haas 2005). Given their lesser financial abilities to migrate the related question is whether they benefit from the migration of others. Is this the case? In terms of social security poor urban actors did benefit from their ties with migrants, irregularly receiving remittances for upkeep, but also gaining their financial support to cope with family and personal crises. However, with the exception of limited and one-off support from migrants helping a few of these respondents set up micro businesses, relations to migrants seldom resulted in significant improvements in their economic situation. By contrast members of the middle income group are far more successful in engaging with migrants in business ventures and/or housing projects, seeking to derive direct or indirect benefits from these activities. For these respondents ties with migrants represent good opportunities for achieving some upward mobility. At the same time, as conditions and benefits of involvement are seldom explicated these respondents take considerable risks in investing own time and resources in these relations. For the richest respondents, with formal, skilled employment or successful own businesses, ties to migrants may not constitute strategic opportunities to achieve further upward mobility. Yet when a severe crisis does take place migrants, both family and friends, do often provide financial support helping the respondent shoulder the financial burden.

The role of institutions for transnational relationships

In the previous paragraphs I discussed the role and relevance of a focus on social networks, including transnational ties. However the ties comprising the relations of an urban actor with each person in his/her social network, and the activities these produce, can only be understood if the institutional embedding of these relations is also taken into account. Thus some respondents, who related to migrants as extended family, explained that their entitlement to support from migrants derived from the fact that they considered themselves important family members to the migrant, for instance being a maternal uncle to a migrant. Respondents who related to migrants as friends had to call on other forms of solidarity and shared interests to make similar claims. The institutional embedding of relationships is therefore of influence on the kinds of economic affiliations possible between urban actors and migrants.

Cases of transnational involvement in activities of respondents show that transnational ties play important roles for urban actors, despite the physical distance between urban

actors and migrants. This physical distance reduces possibilities to monitor, control and/or sanction the other. As transnational exchanges did take place, how were these limitations overcome? Various transnational scholars argue that revolutionary developments in communication, producing a significant compression of time and space, has made it possible for two actors physically far apart to maintain a close social-economic relationship, embedded by certain institutions. Yet some institutions 'travel' less well than others, i.e. some institutions lose their meaning and value once one of the two actors leaves his/her country of origin. Thus respondents explained how some of their church members who went abroad ended their membership with their church in Accra when they found a new church in the country to which they had migrated. This change of affiliation meant that urban respondents could no longer use the church as a guiding institution in which to embed their relationships with these migrants while trying to secure their interest in investing in them. Other institutions are able to traverse national boundaries, some even becoming more meaningful when the relationship takes on a transnational dimension, as both the urban actor and the migrant are interested to maintain the transnational relationship for personal benefits.

For some institutions physical distance *within* Ghana, rather than between Ghana and a foreign country, explains the importance of transnational relationships between urban actors and migrants. From the discussion on housing and business investments I concluded how physical distance between Accra and the rural region of origin of migrants, much more than the distance between Ghana and the country in which the migrant resides, explains why migrants are involved with urban actors in the urban economy. The choice to base housing and business investments in the urban economy of Accra and not the rural economy of the hometown, and therein also involve friends rather than family members, points both to the importance of a network approach and to the role of institutions to understand how, why and with whom migrants make their investments.

A transnational perspective on urban economies

The previous paragraphs have provided evidence that calls into question studies of urban livelihoods which confine themselves, empirically and conceptually, to what takes place within a city, sometimes even a neighbourhood. While I concur with these studies that some urban actors are confined in their ability to draw on ties with actors outside their neighbourhood, this does not mean that ties to actors elsewhere in the city, in the rural region of origin or abroad play no role at all. Furthermore for other urban actors ties with actors based elsewhere in the same city, in their region of origin, or abroad can play roles of importance in their activities. Such actors thus traverse the city on a regular basis, thereby engaging with fellow urban dwellers but also with migrants abroad. This research therefore provides empirical evidence supporting the argument of scholars like M.P. Smith (2001) and Simone (2004) that local economies, urban economies in particular, need to be understood as being part of larger economic processes at regional, national and global levels.

Sassen (1996, 2001) argues, with the concept of global cities, the need to reconceptualise economic globalisation processes. These have largely focused on the national-global

duality, with most attention being given to ‘upper circuits of capital’ (1996:1) and very little to lower circuits of capital, such as migrant labour. By including cities in analyses of economic globalisation processes Sassen has sought to pin these processes down to specific locations. Thereby more insight can be gained of linkages between cities situated in the global economy. While this work on the economic-political position of cities in a worldwide grid has cast attention to the role of places in economic globalisation processes, it can be criticized for taking insufficient account of global processes, which take place at the micro-meso level. To more fully understand how African cities are embedded in the global economy it is necessary to also examine the role of global flows for the city at the micro-meso level. This provides additional insights concerning *how* cities are immersed in the global economy. Research on transnational networks between urban actors and migrants provides such insights.

Conclusions and recommendations

Remittance studies have resulted in an increasing awareness amongst policy makers of the significance of remittances for economies of developing countries (Mazzucato *et al* 2005, Rakodi 1997). This research, also as related to findings from the other projects of the *Ghana TransNet* research programme, I hope, has expanding insights on the role of migrants for local economies, and the urban economy in particular. Particularly the focus on *how* remittances are allocated to diverse economic activities, but also whom are involved, and with what reasons, form essential ingredients to help understand the influence of migrants on a local economy. Thereby analysis should not only concern present but also prior transactions and seek to understand the role of the social, geographical and cultural contexts as these reveal underlying processes and institutional contexts leading to current transnational relationships and transactions. This is of key importance for current debates as it also helps to move this debate on beyond the ‘productive investments’ versus ‘consumptive spending’ dichotomy with regard to remittances and spending of migrants in their country of origin. Various international organisations including the World Bank and International Organisation for Migration (IOM) amongst others, as well as national governments, have developed policies which seek to direct remittances towards ‘productive investments’. In their view this helps the growth of local economies and can help to establish sustained economic activities (IOM 2005; Black *et al* 2003; Sorensen 2004; Hugo 2006). Yet this approach towards migrant influences seems to repeat recommendations made in the past, for instance those of the REMPLOD-project (Penninx and van Renselaar 1978; Van Velzen 1977). The REMPLOD-project, financed by the Dutch Minister for Development Co-operation, examined possibilities for assisting migrants in their contributions to economic developments in their countries or regions of origin hoping that this would halt migration (Bonjour 2005). While highly innovative for being one of the first research projects to specifically examine the link between migration and development it ultimately failed because it drew the conclusion that migration did not result in sustainable economic developments in regions of origin. Migrants hardly invested in large economic projects preferring to concentrate their efforts on smaller, own economic activities. These activities, it was argued, provided little contribution to local economies and development

aid was unlikely to change this. Thus the Ministry for Development Cooperation was advised not to provide development aid to these migrants or their countries of origin.

Our research has shown how that such an understanding of the influence of migrants on local economies in their country of origin fails to acknowledge the cultural and social meaning of these investments, but also the larger impact of these investments. It also fails to recognize the role played by local actors. In this research I have shown how migrants were highly dependent on local actors for realizing investments in the local economy. These investment of local actors in migrants also shows transnational flows to be two- rather than unidirectional. And by making these investments local actors had the opportunity to build up social capital with migrants with which to derive reciprocal support from migrants for own activities.

Policies which only focus on productive investments of migrants in local economies fail to acknowledge and appreciate the role of other transnational exchanges for the livelihoods of local actors, but also understand how these are often interrelated with 'productive' transnational investments. The analysis of transnational relations between urban actors and migrants, focusing on a range of economic domains, including material and non-material flows, has established that both migrants *and* urban actors invest in the transnational relationship they have with one another.⁶

I conclude that this research (and the *Ghana TransNet* programme as a whole), by focusing on the impact of migration on the local economy, or more specifically transnational influences on economic activities of actors in this economy, has once again widened the debate on the role of migration for economies of developing countries. This focus not only provided insight in different kinds of influence of migrants on activities of urban actors in a wide range of economic domains. It also provided insight in interlinkages between domains, thus explaining the commitment of migrants and urban actors in one another as this related to indirect benefits and reciprocal investments.

The urban focus of this research also provides an alternative insights to the more dominant focus on the impact of migration on rural economies. By including kin and non-kin transnational relationships we were able to establish that in some cases, notably with major investments, non-kin can be more involved with migrants than their kin based in Accra.

Given the current influence of migrants on Accra, all future policy plans seeking to improve the lives of urban actors need to take into consideration the role already played by transnational ties with migrants for many, but not all, urban actors.

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⁶ For complementary insights, which may also show up differences between actors in the different locations on the role of their relationship, see the work done of the other two research projects of the *Ghana TransNet* programme and combined insights, e.g. Mazzucato *et al* (2006), Smith and Mazzucato (2004) and Kabki *et al* (2004).

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