

**EFFECTS OF DIASPORA REMITTANCES ON RECIPIENT HOUSEHOLD POVERTY
ALLEVIATION IN KENYA**

BY

OOKO MILTON OCHIENG

Q68/40537/2021

**RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF POST GRADUATE DIPLOMA IN
MIGRATION STUDIES, UNIVERSITY OF NAIROBI**

©2023

Declaration

I declare that this project is my original work and has never been submitted for examination or any award in any other institution.

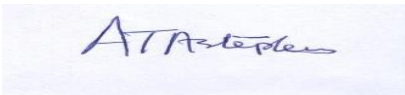
Student: Ooko Milton Ochieng

Signature 

Date 08/09/2023

This research project has been submitted for examination with the approval of my supervisor.

Prof. Alfred Agwanda

Signature 

Date: 8/9/2023

This research project has been submitted for examination with the approval of my supervisor.

Dr. Ann Khasakhala

Signature 

Date: 8.9.2023

Dedication

To my loving parents, both of whom support me to the maximum of my expectations.

Acknowledgements

I acknowledge the abundance of God's grace throughout this journey.

I also acknowledge the mentorship from my supervisors professor Agwanda and doctor Ann Khasakhala, whose guidance and input from conceptualization stage to this point have been immeasurably useful, were it not for their passionate care and concern to shape my thoughts on the ideas I had, read and correct my work, make recommendations and offer advice, putting this work up would have remained a dream deferred.

I wish to extend my acknowledgements to classmates, most of whom are practitioners for their useful discussions around this topic; it was from the discussion that the interest to consider diaspora as a topic of study was generated, wherever you are, feels acknowledged.

To the friends I have made in this short Journey namely Monica Kilaka, Nagla Taha, Stephen Nengo, Daniel Nganda, Betty Khasakhala and Luqman Hassan feel acknowledged.

Table of contents

DECLARATION	II
DEDICATION	III
ACKNOWLEDGEMENTS	IV
LIST OF TABLES	VII
LIST OF FIGURES	VIII
ABSTRACT	IX
SECTION ONE	1
INTRODUCTION	1
1.1 BACKGROUND	1
1.1.1 <i>Diaspora Remittance</i>	2
1.1.2 <i>Household Poverty</i>	3
1.2 PROBLEM STATEMENT	4
1.3 RESEARCH QUESTIONS	4
1.4 RESEARCH OBJECTIVES	5
1.4.1 <i>General objective</i>	5
1.4.2 <i>Specific objectives</i>	5
1.5 JUSTIFICATION OF THE STUDY	5
SECTION TWO	7
LITERATURE REVIEW	7
2.1 INTRODUCTION.....	7
2.2 THEORETICAL PERSPECTIVES.....	7
2.2.1 <i>Altruism</i>	7
2.2.2 <i>Insurance</i>	8
2.2.3 <i>Investment</i>	9
2.3 <i>Effects of remittance on education</i>	10
2.4 EFFECTS OF REMITTANCES ON HEALTH	12
2.5 EFFECTS OF REMITTANCES ON HOUSING.....	13
2.6 HOUSEHOLD CONSUMPTION AND REMITTANCES.....	14
2.7 SUMMARY OF THE GAP	15
2.8 CONCEPTUAL FRAMEWORK	16
SECTION THREE	17
RESEARCH METHODOLOGY	17
3.1 INTRODUCTION.....	17
3.2 DATA	17

3.3 CENSUS DATA	17
3.6 DATA ANALYSIS	17
SECTION FOUR	18
DATA ANALYSIS, PRESENTATION AND DISCUSSION	18
4.1 INTRODUCTION.....	18
4.2 DIASPORA REMITTANCES TO KENYA	18
4.3 BACKGROUND CHARACTERISTICS OF EMIGRANTS.....	19
4.4 DIASPORA REMITTANCES	21
<i>4.4.1 Household Utilization of remittances</i>	21
4.5 DISTRIBUTION OF REMITTANCE RECEIVED BY COUNTIES	23
4.6 DISCUSSION OF THE FINDINGS	24
<i>4.6.1 Diaspora remittances to Kenya</i>	24
<i>4.6.2 Background Characteristics</i>	25
<i>4.6.3 Remittance utilization</i>	27
SECTION FIVE	29
SUMMARY, CONCLUSION AND RECOMMENDATIONS	29
5.1 INTRODUCTION.....	29
5.2 SUMMARY	29
5.3 CONCLUSION	29
5.4 RECOMMENDATION.....	30
5.5 AREAS FOR FURTHER RESEARCH	30
<i>References</i>	31

List of Tables

Table 1 Background characteristics of emigrants.....	20
Table 2 Distribution of remittance recipient household by county.....	24

List of figures

Figure 2.1: Theoretical Framework.....	16
Figure 4.2.1 Monthly diaspora remittances to Kenya.....	19
Figure 4.4.2 Household remittance utilisation.....	22

Abstract

Remittance flow to developing countries have increased in volume, this has drawn attention of scholars, organizations and governments from various parts of the world who pay keen attention to diaspora populations and are keen to establish what related activities they do. Kenya having her population as part of the global diaspora community is not excluded from the latest developments around the subject. This study sought to establish whether the practice of remitting financial income to households in the country of origin has effects on the recipient household poverty status. The study was based on desk review and analysis of secondary data form 10 percent of the Kenya Population and Housing census of 2019. The census collected information on emigrants from household members to establish how the financial resources remitted was utilized. The theories applied in this study were Altruism, Investment and Insurance. The results showed that according to statistics from the Central Bank of Kenya, remittances to Kenya in the last three quarters of the year 2022 amounted to USD 2,992,505,680 trillion. The results from the census indicate that the bulk of the remittances were used on household consumption (40.8 percent), followed by education (28 per cent), Health (20.5 Percent) and investment being the least (13.4 percent). These show that recipient households had additional income sourced from remittances which cushioned the pressure on household budgets and other expenditures. The effect of this expenditure on household poverty could not be established from the data used in this study, however this can be implied from the utilization of remittances.

SECTION ONE

INTRODUCTION

1.1 Background

Diaspora remittances have gained attention globally and sparked debates from both developed and developing countries as well as international organisations. This can partly be attributed to the volume that continues to flow to developing countries from their citizens living and working in other countries and also to increased nature of human mobility. Antonio Vitorino (2022) during the international day of family remittance stated that remittance flows play a catalytic role in community development creating a trickle-down effect to many households and to individuals which enable them to meet their daily costs with ease (IOM, 2022). Remittance flows are captured but not comprehensively as non-monetary remittances may not be well documented or transferred using the formal channels thus hindering the inclusive data capture for analysis and presentation. Financial remittances are not all transferred using formal channels and some institutions offering remittance transfer services are suspected to be providing cover for money laundering such as Hawala (Siegel & Lücke, 2009).

Remittances have been noted as sources of foreign exchange for national balance of payments (Ali & Khan, 2021) and also promote macroeconomic stability in the recipient countries (Akeerebari, 2022). Studies have associated it with human capital formation by improving access to education and health through payment of expenses incurred by those in pursuit of such services and also establishment of the facilities offering similar services (Amega, 2018; Bucheli et al., 2018; Oruc et al., 2019). They also enable investments. Remittances are therefore recognized as a contributor to development thus directly linking migration and development by providing the tangible evidence needed to justify contribution of migration to origin country development programs (Agunias & Newland, 2012).

Migrants continue to establish and maintain transnational relations between several countries making friends and establishing families as well as making new business connections. Significant financial flows occur across all these established networks through various channels some being formal others informal. It is important to note the flow of non-monetary remittances which include in-kind remittances like physical goods, social remittances such as human networks are not factored in the remittances because they are not easy to quantify. They are however important in that they enable further migration, exchange of practices, ideas, mindsets,

values among many others which spread benefits and shift cultural orientations within households and communities (McKenzie & Rapoport, 2006). Their contribution is likely to be ignored however significant it is and this makes the discussion around remittances incomplete.

Global overview of remittance flows shows that \$605 billion was sent to low and middle-income countries globally in 2021 (IOM, 2022). This signified a growth of 8.6 percent from the previous year. Remittances in the year 2022 are projected to reach \$630 billion a projected increase of 4.2 percent (World Bank Group, 2022). Out of the huge global financial flow, Africa received \$49 billion in 2021 with Nigeria being the leading recipient country followed by Ghana with Kenya coming third valued at \$3.7 billion (Ratha et al., 2022). Kenya, having a sizable number of migrants living and working outside its boundaries, receives remittances from the diaspora population. Leading senders of remittances are diaspora members from North America and Europe as other diaspora members from other continents trail them (*Diaspora Remittances / CBK, 2022.*). This positions the leading continents on high focus regarding the strategies and policies aimed at maximising remittances such as encouraging the use of formal channels, lowering the transfer costs among others. These remittances mostly end up at the family and household level with friends, family and spouses being listed as the leading recipients by the survey conducted (CBK, 2021). Financial reports have listed mothers as top recipients and education and health being top budgets of this income, (CBK, 2021). This therefore forms the keen and passionate motivation of this study to find the role this income plays in the household poverty status.

1.1.1 Diaspora Remittance

Diaspora refers to citizens of a given country who live outside their origin country but have established and maintained links with the people at the origin country (IOM, 2019). This term is closely related to transnationalism where people establish links between two or more geopolitical boundaries (Clavin, 2005). Transnational citizens enjoy contacts and connections through their mobile nature over a large geographical area and through this they transfer their earnings, goods, ideas, links and influence to their friends, families and relatives in their countries of origin/transit (Clavin, 2005). Remittances are defined as financial or in-kind transfers sent by migrants to their families, communities, friends or relatives back in their countries of origin with which they have links (IOM, 2017). These are inclusive of their ideas, links and influence. Remittances enable families to afford basic services that otherwise would seem challenging to afford such as quality

education, quality healthcare, food, shelter, clothing as well as subsidising the family labour costs. This therefore impacts the household's human capital development, health access and other needs acquisition such as housing, fuel and consumption hence depicting the role of diaspora remittance in the recipient households' expenditure budget.

1.1.2 Household Poverty

Poverty takes many forms of deprivation. Some of the approaches taken while looking at poverty include: absolute, relative and Multi-dimensional approaches. Absolute approach refers to where an individual is deprived of the necessary resources, mostly monetary, needed to meet the costs of basic human needs. This approach uses a set standard which is consistent over time and between countries while relative refers to where an individual or household meets some needs but is limited and cannot extend further to attaining certain social and economic needs but does not lack on the basic needs hence a measure of income inequality (Wai & Tan, 2019). Multi-dimensional approach complements both the monetary and non-monetary information to paint a more complete picture of poverty. This approach defines poverty as a human condition characterised by sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights (World Bank, 2022). In Kenya poverty headcount ration stands at 37.1% (*Kenya | Data*, n.d.), with effects of COVID-19 having a huge impact on this. Vulnerability rate ranges between 9.11% to 49.25% from least vulnerable to highly vulnerable across the Kenyan regions (Alkire et al., 2015). Poverty therefore needs active roles from household members to avert. Poverty takes a range of different socioeconomic dimensions, such as the inability to access services and social protection measures and to express opinions and choice; the power to negotiate; and social status (Yoshino et al., 2017). Reports have also found that migrant remittance sent back is spent on education, health and housing with little being invested (CBK, 2021). This shows that remittances play a role in human capital development through education and health by improve household access to health services which would be less accessible and affordable without the supplementary income and resources as well as improving the housing structures of the specific recipient households which enable them to meet the basic needs of shelter (Siddique et al., 2016). Poverty reduction therefore would entail the measures and policies put in place to ensure that individuals and households attain the minimum standards of living such as being able to afford education, access health services and improve the

structures used for shelter or afford housing deemed to have met standards as well as afford human consumption needs.

1.2 Problem Statement

Many studies have attributed migrant remittances to various aspects such as economic growth (Bett, 2013), physical investments (Jena, 2018) and poverty reduction (Tapiwa, 2017). Bett (2013) found that an increase in diaspora remittances by 1% results in 0.076% increase in economic growth. This implies that the quality of life of people in the said economy also changes significantly. Jena (2018) found that increase in remittances received to households increases the probability of purchasing physical investments. He argued that if remittances represent permanent income then households are more likely to spend them on commodities requiring additional and recurrent purchases in the future. This shows the effect of remittances on the ability to purchase physical investments which may not have been prioritized had there not been the kind of permanency remittances portrayed by their steady flow. Tapiwa, 2017 found a statistically significant result between impact of remittances and poverty reduction in developing countries. Increasing remittance receipts to developing countries would result in decreasing the number of people living below the poverty lines. However this does not directly relate to the purpose of this study as it does not tie it to the recipient household which forms the subject in this study. The aim of this study focuses more on finding out whether remittances have effects in averting poverty at households level or not. These studies have formed a ground upon which this research idea was generated to be able to contribute to the knowledge gap where the focus on studying remittances goes down to its role at the household level where much of it is spent but not with a unidirectional focus of looking at its impact on a certain indicator. A holistic approach to better understand its role in poverty reduction is taken where the indicators of poverty were adopted and the contribution to each indicator measured. This approach of studying the effects of remittances has not been utilized according to the reviewed literature and this study therefore finds it worthy to look at what contributions do diaspora remittances make that have implications on household poverty status.

1.3 Research questions

This research aims to answer the following questions:

1. What are the background characteristics of the diaspora?
2. How are the remittances from diaspora utilized by the recipient household?

3. What implications does the utility have on household poverty?

1.4 Research objectives

1.4.1 General objective

The general objective of this research is to examine how diaspora remittances are used by the households and implications on recipient household's poverty.

1.4.2 Specific objectives

The specific objectives are to:

1. describe the background characteristics of the emigrants;
2. assess how the remittances by the diaspora are utilized by the recipient households;
3. explore the implications for household poverty alleviation.

1.5 Justification of the study

Researchers have paid much attention to impacts of remittances on national development, reduction of poverty and inequality, economic growth and financial inclusion as some key areas which remittances contribute immensely to but they have not brought on board the household poverty aspect as a dimension of consideration. Studies have not linked diaspora remittances to household poverty increase or reduction nor have any aimed at showing how migration affects household poverty using the various poverty indicators such as education, health, housing and consumption. No research in the reviewed literature has mapped out how the households utilize the remittances they receive based on their various needs this literature gap in this select area is real. Linking migration to its role in development calls for understanding the role that remittances play at household level and understanding how the households utilize the income on key areas that are easily affected by deprivations and which relate to development aspects.

This research aimed at showing the relationship between migration and development by investigating the effects which diaspora remittances have on the selected aspects of the household poverty indicators and discussing the results. This choice of study was spurred by the keen interest on the national monthly reports from Kenya Central Bank which always tend to focus on who receives the money as the main picture and the magnitude sent with zero attention to how the money trickles down and the effects it has on poverty status at the household level.

This study is useful to the Kenyan government in policy formulation where the need to negotiate for foreign labour market share can be guided by the roles played by remittances from Kenyan diaspora at the household. Also financial institutions may use it to better assess the need to create a channel where remittances can be directly remitted to various institutions offering educational, health, housing services and consumption products and services so that the instances of financial misappropriation are reduced if not totally eliminated.

SECTION TWO LITERATURE REVIEW

2.1 Introduction

This section gives a brief summary of literature reviewed on remittances and poverty, it is organized as follows: theoretical framework, remittances and education, remittance and health, remittances and housing, remittances and household consumption and lastly summary of the literature gap.

2.2 Theoretical Perspectives

The literature on remittances invokes theories used in explaining the motive behind people's desire and practice of remitting part of their income to the people they have links with in origin and/or transit countries. These theories include: Altruism – desire of migrants to help families back at home, Insurance – migrants remit to insure their families against risks and shocks at home and Investment – migrants remit at home either to invest or receive family bequests ((Adams, 2011; Lucas & Oded, 1985; Rapoport & Docquier, 2005)). Other scholars also attribute remittances to additional theoretical determinants which are loan repayments and exchange motives (Hagen-Zanker & Siegel, 2007). These theories help in understanding the flow of remittances and the drives behind the practices as illustrated below with main focus paid to altruism, insurance and investment.

2.2.1 Altruism

Migrants come from families of different socioeconomic backgrounds; some may see the need to send money home for various purposes while others may not. Altruism being the motive that bases on argument of sending remittance so as to help the family by taking into consideration the family situation as needful of the help that comes through. Many scholars have produced evidence that associate remittances to altruistic acts while other scholars object the motive of remitting as altruistic. Altruism is found to be having an association on remittance sending behaviour more so with migrants whose origin families have loan obligations which was either spent on meeting the costs of migration of a member or later incurred for other development expenditure such as education, housing, investment or even health expenses with repayments being targeted from remittance (Antoniades et al., 2018). Several other studies have confirmed altruism as one of the main reason why migrants send remittances and other studies have gone ahead to investigate the same on the recipients altruism towards the migrant and established that highly altruistic recipient members will encourage migrants utility over their own while less

altruistic recipients will spend almost all remittances on their own utility prompting the migrant to send little or none of the remittance back home (Akira, 2011). This study explains a critical view of altruism theory as two-way traffic where not just the welfare of the household is focused but also the migrant attracts attention in spending the remittance with an analogy of a son sending remittances to parents; altruistic parents would encourage the son to maximize on his well-being encourage him to spend his income on himself mindful by investing in his host country too. The desire to help families out of tough situations like drought and famine, unaffordability of education, accessing and affording costs of health and other expenses may push migrants to send remittances in order to salvage the situations of troubled families and family members this is confirmed by the finding of studies that demonstrated the concern of the migrants to the welfares of the people left behind ((Hagen-Zanker & Siegel, 2007; Lucas & Oded, 1985; Paerregaard, 2015; Rapoport & Docquier, 2005; Tullao & Cabuay, n.d.). Altruism provides a basis to anchor the argument that migrant remittances contribute in mixed ways to household poverty as remittances cushion families off the hard times, enable them access and afford health services when most needed as some migrants may choose to take migration options to aid in meeting the health expenses as seen in the ethnographic study by Paerregaard (2015). Investing the remittances by recipients on behalf of the sender plays an insurance role to the recipient household as well as the emigrant and this two-way altruistic acts trigger increase in volume remitted while its absence may trigger decline in volume as suggested earlier (Akira, 2011). This theory is largely borrowed in this study to help in relating the motives of remitting and the effects on household poverty in the recipient households in Kenya.

2.2.2 Insurance

Migration of a member of any given family involves use of resources and decisions which are in most cases arrived at in consensus by the family. Families may invest in migration as a way of diversifying their income in order to be guaranteed of cushioning during risky times and also as a way of securing better returns on human capital (Sjaastad, 1962). It is noted that most members of the families that migrate to live in urban areas or outside their countries are in most cases educated of the select families and relatively younger. This theory is argued by other scholars as *Tempered Altruism or Enlightened self-interest* (Stark & Levhari, 1982) and cited by (Lucas & Oded, 1985). It suggests that a family which is risk averse would opt for their younger and educated members to migrate to urban areas so that when they face risks such as crop failure due

to drought, dwindling income to meet costs of education, inhibiting their maximum income generation from normal economic activities; their diasporic members out of mutual altruism would remit to help cushion them against the challenges at present. This theory anchors strongly on mutual altruism from both parties leading to better understanding of the concept where families would pull resources to aid migration of members, hopeful that the practice would be a risk averse exercise and that emigrants would to come through for their families should risks and uncertainties befall them. This theory is borrowed in this study to help establish whether the receipts are utilized for purposes that show evidence that the cushioning motive of investing in migration is true and this was proved by the utility of remittances on health, consumption and housing and education expenditures.

2.2.3 Investment

This theory of explaining the motive to remit argues that someone remits at home to invest or receive family bequests as cited in the work by Adams, (Adams, 2011). This theory is argued by other scholars as *pure self-interest*. There are three grounds on which the interests anchor which I find important to include in this paper as they aid in understanding why people would opt to remit their income to households for various reasons. These include; Aspirations to inherit, aspirations to invest in assets and the intent to return home after the migration purpose is achieved or terminated (Lucas & Oded, 1985). This study argued that migrants who are avaricious would make remittances to families more so parents with the selfish interest of gaining favours in family inheritance this is what Adams, (2011) identified as bequests and is reasoned that an altruistic act towards parents would secure one a share of the family wealth from the parents when they are distributing their wealth amongst their heirs. Investment as the second basis of this theory called upon the family to demonstrate altruism to the migrant as the migrant's decision to channel part of their income home demanded that people back at home were to act as the agents on behalf of the migrant by taking charge in management decisions on behalf of the absentee investor. Intent to return was also noted to push an emigrant to invest back home in fixed assets such as land and housing. This influenced the status of the emigrant upon return as his social perception changed among the members of the public (Lucas & Oded, 1985). I find this theory useful in this study in understanding the contribution of remittances to poverty as investments of remittances to fixed assets such as housing improves the living conditions and increases the availability of accommodation facilities, investment also creates jobs which may

hire more members of the household or the family and the immediate society thus diversifying income, it would as well be an insurance practice where the emigrant seeks to secure his future against impending financial risk which are still unknown like job losses, accidents and ill health. Investment in education as well would increase household income by increasing the value of human capital through skilling of house members in by meeting costs of training (Nwokoye et al, 2020). Altruistic acts with intent on bequests which sees remittances channelled preferably to parents supposing that the parent still have school going children stand chances of increasing school attending years on the children thus facilitating a rise in educational level of younger ones. These are the aims this research sought to find out whether the remittances are used in education, health, housing and consumption and relate this to the poverty aspect of the recipient households.

2.3 Effects of remittance on education

In any given household, expenditure in education is viewed as an investment in increasing the human capital of the given household members and this positively affects their market value (Nwokoye et al., 2020). Education equips with information, skills and adaptability which can be translated to expertise and sold as services earning income. The value of household member(s) in the job market increases with the increase in their level of education (Becker, 1962) and more people tend to migrate at younger ages with higher levels of education hoping to greatly benefit from migrating (Sjaastad, 1962). This implies that a highly educated member of a household fetches higher value in the job market than another with comparatively low level of education thus guaranteeing relatively higher return upon employment. Education also equips one with information which influences their health. Adults with higher educational attainment have better health and lifespans compared to their less-educated peers; this explains the importance of education on the health of an individual as well as their children (Raghupathi & Raghupathi, 2020). Parent who attained tertiary education were found to experience reduced infant mortality rates (Raghupathi & Raghupathi, 2020)

In Ecuador a study conducted to examine the effects of remittances on children's education established that remittances have both positive and negative effects (Bucheli et al., 2018). This study established that the effects of remittances were positive in households where the parents were non-migrant while negative with those where a parent migrated and was the source of the remittances. In Bosnia-Herzegovina another study established that remittances had a significant

effect in child enrolment into educational programs within households that are just outside the poverty bracket while those families living in the poverty bracket showed an insignificant effect of remittances on education of their children (Oruc et al., 2019).

In Sub-Saharan Africa a study found out that remittances improve education significantly (Amega, 2018). This implies that expenditure in education from any given household would either increase enrolment as found to be the case with secondary school education, increase the level of schooling by enabling furthering of education as the study established though effects were stronger with secondary education than Tertiary education or enabling school going children to complete the program schedule without dropping out of school due to lack of school fees or inability to access training materials. The study noted that remittances had no significant impact on primary education enrolment (Amega, 2018), I find this study to have generalised the effects of remittances in Sub-Saharan countries failing to detail how remittance expenditure in household level link to poverty reduction in Sub-Saharan countries and this therefore provides a gap to establish how the contributions of these remittances could influence household poverty level.

In Kenya a study found out that remittances increase the school enrolment rate in primary school level. It has significant impacts in secondary and tertiary level implying that remittances contribute immensely to household human capital development (Affudo, 2020). This would go a long way to affect household poverty as education would enable any person who acquires it to secure some form of employment either as skilled, semi-skilled or unskilled thus ability to earn income and leave outside the poverty bracket or reduce the severity of the same . However, another study found out that remittances contribution to schooling was insignificant as the household income played a more significant role in education attainment at primary and tertiary level than remittances did (Yussuf, 2020). This shows mixed results that cannot be useful in making a conclusion on the role remittances in households towards poverty reduction. This study therefore seeks to establish whether remittance expenditure in education would have an effect on household poverty of the recipient households or not. With education playing a role in household health as found out in other work (Raghupathi & Raghupathi, 2020), it would be assumed that remittances spent on education affect household health, however a separate look at whether household remittances and health have relationship in previous studies is important to see any distinction that may be existing.

2.4 Effects of remittances on health

Health of any household greatly depends on the educational level of the given household members. Education creates awareness and skills members on best practices that enhance their health security such as drug abuse, hygiene practices, precautionary measures that help in disease prevention, pre and post-natal care and child care. Accessing health services and affording the services helps to bring under control outbreak of diseases that threaten and would lead to loss of life of household member(s). In Nepal a research found that remittances had a positive and significant effect on health care expenditure at the household level enabling a conclusion that an increase in remittances by 1% would translate to 0.099% increase in household expenditure on health and related areas such as nutrition (Kapri & Jha, 2020). This would imply that increasing remittances increases household expenditure on health by almost 0.1% which may show that in every 10 USD remitted 1 USD is spent on health of the household. Basing on this health expenditure seems to be one of the leading recipients of remitted amounts and could mean a significant contribution towards lowering household deprivation of health access and affordability in Nepal. A similar finding was found by a study in Macedonia where remittances showed a significant effect particularly on health consumption among the recipient households (Petreski et al., 2018). This had an impact in reducing poverty for the households who got the ability to access nutritional needs and knowledge necessary in reducing the incidences of bad health among the recipients.

In Sub-Saharan Africa a study established that remittances significantly improved the health of recipient households. This study established that remittance expenditure in education also positively impacted on the health of recipient households bringing to attention the nexus between education and health in households (Amege, 2018). It attracts attention that in almost all the studies the results are statistically significant on the impacts that remittances have on recipient household health however these research rarely tie the contribution made to efforts in household poverty status. This therefore shadows the contribution that migration makes to household development when it comes to enabling access to health, nutritional needs and educational awareness. This study therefore will make a contribution to literature in showing how migration contributes to household health access thus reducing the inequality gap that could be existent between the poverty stricken household and those that live above the poverty line.

2.5 Effects of Remittances on Housing

Housing encompasses many aspects. It begins from full ownership of a structure to assessing the conditions of the owned structures down to options available to those who cannot afford to own structures regardless of the conditions of the occupied structures. Households derive their shelter either from fully owned structures or partially owned ones either in urban settings or rural settings. Multidimensional Poverty Index considers the flooring of the house as the criterion of measuring the extent of deprivation a household experiences (Alkire et al., 2015). Any effort made in ensuring that a household enjoys utility of a structure of relatively modest standard is an effort towards poverty reduction. These may include renting or construction which includes repairing the existing ones to standards desirable.

In Pakistan research found out that remittances have positive and significant impact on housing demand more so in large cities since it increases the purchasing power of households, it further established that increase in resources increase household's spending on housing needs (A. Ahmed et al., 2020). This implies that remittances have an effect in alleviating the housing standards of recipient households therefore likelihood of poverty reduction in the housing dimension.

In Ghana a study revealed that remittances increase household consumption of housing ranking at 72 pesewas of each GHS1 of the received remittance (Adu-Darko, 2019). This shows quite clearly the magnitude with which remittances contribute to housing needs of the recipient household thus an insurance against extreme deprivations that may push household members to chronic deprivation of housing facilities. This is likely to have a cushioning effect on household poverty hence can be concluded to have reduction effects.

In Kenya a research carried out revealed that remittances increase household expenditure in housing (Maara et al., 2019). Further literature on remittance and the effects it has on housing in Kenya could not be located, guiding to a conclusion that little has been done to map out the contribution of remittances on housing expenses specifically in Kenya.

All these studies agree to the fact that remittances have a significant impact on housing expenses of recipient households. However, they do not tie the contribution as a measure that reduces the state of deprivation the recipient household experiences thus not linking the impact to the role

migration plays in household poverty. This therefore creates a gap in literature that hopefully this paper and the findings it presented have contributed in filling.

2.6 Household consumption and remittances

Household consumption may generally mean remittance expended on various components of household needs. These may include expenses such as transport, acquisition of food, fuel acquisition in case of cooking fuel; clothing needs, money spent on labour expenses in case of households that need to meet household production labour costs among many others. The absence of a household member has many effects depending on the position held by the absentee. In cases where the migrant was the household head and sole breadwinner it means that a higher percentage of household reliance may shift to remittances sent (Bucheli et al., 2018) and this implies that a better share of remittances will go to household consumption. In cases where a migrant leaves behind dependents under care of immediate family members such as instances where female single parent migrants leave behind children under the care of their parent(s) or relatives they are obliged to send part of their earning to the caregivers to be able to meet the needs of the minor left behind (Teerawichitchainan & Low, 2021). This may mean that most of the money sent will go to consumption, health and education of the young ones who may not be in need of housing. All these point to the altruistic acts from both ends to support and leverage the burden born by either party.

A study in Columbia found out that when household consumption is strictly referenced to food consumption remittances play a role in leveraging the consumption expenditure more so in households with low disposable income, additional income is spent on nourishment (Medina & Cardona, 2010). This shows that remittances depending on the income status of the household could play a role in consumption expenditure and this is confirmed from the finding in a study by Tabuga (2007) in his study to find out how remittances are utilized in households from Philippines which demonstrated conspicuous results on use of remittances on consumer items (Tabuga, 2007). This study could help guide in understanding the utility of remittances in aversion to poverty at the household level.

In Ghana a study confirmed that remittances increase household consumption more so on food, non-food, housing and education. This study used household survey data to arrive at this conclusion while studying the impacts remittances have on household consumption (Adu-Darko, 2019). These findings are pointers that households use remittances to leverage on their

consumption expenses and in scenarios where a household is poverty stricken can the remittances be a means to reduce poverty? That is what this study endeavoured to find out from the Kenyan aspect of remittance receiving households.

2.7 Summary of the gap

Having reviewed the available literature on the various indicators of household poverty, it is guiding enough that the roles that remittance plays, regardless of being significant, has not been critically and exhaustively looked at in relation to household poverty status. This therefore stimulated the course of this research to unearth how the significant contribution made by remittances to recipient households plays a noble role of lowering the chronic nature of deprivation that would befall the said households in the absence of the remittances. Therefore the failure of available literature to link migration to poverty and inequality reduction hopefully will make progress which would guide further studies, policy and practice.

2.8 Conceptual Framework

Independent Variable

**Diaspora
Remittances**

Dependent Variable

Household poverty.
Education
Health
Consumption
Housing.

Figure 2.1: Theoretical Framework
Source: Authors own construction

SECTION THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section described the data and methods of analysis used in this study.

3.2 Data

The data for the study was obtained from secondary data sources consisting of data on diaspora remittances from the Central bank of Kenya and data on household emigration from Kenya Population and Housing Census. This data highlights the volume of remittances sent by the Kenyan diaspora community this is supplemented by the 10% sample from the Kenya National Housing and population census of 2019. The data from the census highlights the reports by the recipients of diaspora remittances and what the money was used for. These two were used for analysis. The total population size was 12,143,913 households. However, for this study a sample was obtained from the short questionnaire which asked questions on emigrants. For this study the following two questions are of importance E11 which asked whether the named person remitted money to the member of the household while outside Kenya in the last 12 months and E12 on how the funds were utilized. The sample used for the study was 32869 cases.

3.3 Census Data

The data from which the sample used was drawn was collected by the Kenya National Bureau of Statistics from households countrywide. The report indicated that the tool used to collect the data was the questionnaires which were developed through consultative processes and then tailored into a designed mobile data capture system and uploaded to mobile devices for data collection and transmission. Pilot study and pretests preceded the census as outlined in the same report and this tested the preparedness for the enumeration ahead. Enumerators were recruited, trained and utilised in the data collection (KNBS, 2020). The questionnaire used is attached for reference to the data sets which were obtained and utilized in this study.

3.6 Data Analysis

Descriptive statistics summarize and organize characteristics of a data set. A data set is a collection of responses or observations from a sample or entire population. Descriptive analysis entailed frequency distributions including percentages. The data was presented in Tables and figures.

SECTION FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

This section presents the analyzed data for the purposes of answering the research questions formulated for this study. It contains data from the central bank of Kenya on remittances as well as data from Kenya Population and Housing Census on household remittances and utility. It is presented in the order of: Remittance data from Central bank of Kenya, Emigrants background characteristics from Kenya National Population and Household Census data, descriptive statistics of the household remittance utility and lastly of respondents based on counties to show the percentage distribution of remittance recipient households per county.

4.2 Diaspora remittances to Kenya

There is a significant inflow of money from people outside to people in Kenya. This forms the remittance that Kenya receives from its diaspora and it mostly ends up in the respective households whose member(s) or ties extend outside the borders of Kenya. Over time attention paid to this income has been increasing and the government, policy makers and scholars not just in Kenya but elsewhere in the world have had attention drawn to this trend and several studies and, policy measures including government efforts are today channeled to building channels through which the remittances can flow from various parts of the world to various destination countries. In Kenya, the Central Bank of Kenya makes public the statistical data on remittances on a monthly basis, however the data presented is only an aggregate of the totals but misses important information on how the money received is utilized at household level. To supplement this and be able to show how the money received is utilized and tie it to the goal of this study of determining whether remittances play a role in household poverty status, the data from the Kenya Population and Household Census is was utilized to complement it. In the year 2022, data over the last three quarters obtained from the central bank website depicted the trend illustrated in the chart below. The graphical values are in millions plotted against the months.

From the bar graph below, North America has been consistently outstanding compared to the other two regions from which remittances to Kenya originate. Its performance is evidenced by the length of the bars in the chart. The Rest of the world including countries outside Europe and North America did averagely well compared to Europe as a source of remittances to Kenya as can be seen through relatively longer bars than the bars representing Europe (see figure below).

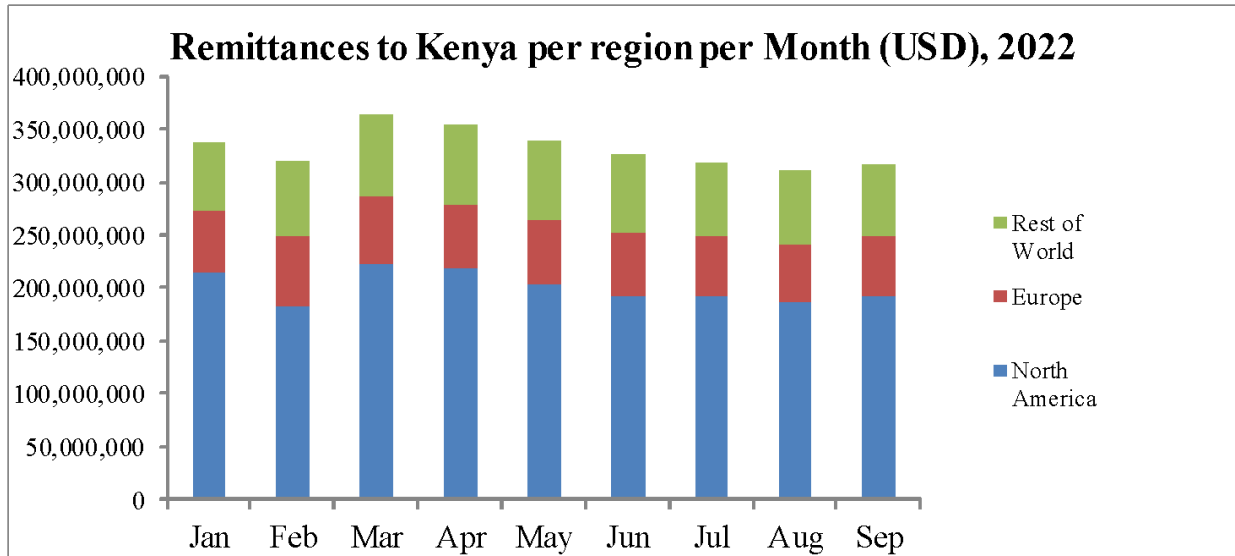


Figure 4.2.1: Monthly diaspora remittances to Kenya

Source: Analysis of Central Bank of Kenya data 2022

The month of March registered a record high of remittances in the first three quarters of the year 2022 valued at USD 363,581,660 which still stands unchallenged in two regions which are North America and Rest of the world; it was a drop though in Europe. From a glance at the graph it easy to notice that a drop in remittances to Kenya in the month of February and an increase in March, from March onwards, a gradual decline is witnessed in the successive months up to August then September registered a slight increase, these trends may be due to factors which the dataset cannot explain. Further the data set did not have any information on how the funds remitted are utilized. This information has been provided in the 2019 in the National Population and Housing Census where there was a short questionnaire on emigrants. The information collected included background characteristics of the emigrants and how the remittances were utilized by the household members as well as the distribution based on county of origin. The section below focuses on the data from the Census.

4.3 Background Characteristics of emigrants

This section presents the background characteristics of Kenyan emigrants to the diaspora as reported by household members in the 2019 Kenya National Population and Housing Census. The information details the education level of emigrants, their age, sex, reasons for emigration as well as their areas of professional training. This data is useful; in understanding the push factors of emigration and the characteristics of those who emigrate. The data is based on a short questionnaire specifically focused on emigrants (Attached in the annex).

Table 1: Percent Distribution of Emigrants by background characteristics		
Characteristic	Number	Percent
Age		
≤10	1118	3.4
11 ≤20	4566	13.8
21≤30	14174	43.0
31≤40	7115	21.6
41≤50	1772	8.5
51 and above	1509	4.2
Total	30254	94.5
Gender		
Male	18094	55
Female	14775	45
Total	32869	100
Level of Education		
None	990	3.0
Pre primary	391	1.2
Primary	5291	16.1
Secondary	12699	38.6
University undergraduate	5122	15.6
University postgraduate	1686	5.1
Other tertiary colleges	6009	18.3
Informal Education	103	0.3
DK	558	1.7
Total	32849	100
Reason for Emigration		
Employment	17311	52.7
Education	6500	19.8
Sports	435	1.3
Marriage	918	2.8
Family related	2685	8.2
Settlement	622	1.9
Others (Specify)	4162	12.7
DK	216	0.7
Total	32849	100
Professional Training		
Shows all Trainings	9724	29.6
Humanities	240	0.7
Social Sciences	311	0.9
Natural Sciences	139	0.4
Formal Sciences and Mathematics	273	0.8
Professions and applied sciences	1956	6.0
Vocational Trainings	2697	8.2
Others	1832	5.6
None	14832	45.1
DK	845	2.6
Total	32849	100

Source: Researcher's analysis of Data from, 2019 KPHC

Table 1 shows that the majority of the emigrants belong to the age range 21 to 30 years followed by those in the age range 31 to 40 years. Over half of the emigrants were males (55 percent). A higher proportion of emigrants had attained secondary level of education (38.6 percent) followed by those who had attained tertiary education at 18.6 percent. Those who had attained primary level of education were third at 16.1 percent while those with university undergraduate degrees were fourth at 15.6 percent. It is notable from the table that those with informal educational level formed the least proportion of emigrants at 0.3 percent while those with no education at 3 percent. Those with university post graduate migrated but not as higher in volume as compared to those with university undergraduate, secondary, primary and other tertiary college levels of education.

Employment was the main reason for emigration (53 percent) followed by education at 20 percent. Those who did not have an opinion were recorded as don't know (DK) on the reason for emigration, showed the least push factor for emigration at 1.3, followed by marriage at 2.8 percent. Those reported as others by household respondents were emigrants whose reasons for emigration did not fall within the categories stated and contributed 13 percent of the total emigrants. Those who emigrated for family related reasons were 8.2 percent.

Over a quarter had no professional training (45 percent), 30 percent were reported as having various training while 8 percent had vocational training only. Those with professional training and those trained in applied sciences constituted 6 percent. Those whose professional training were not clearly stated by the respondents were indicated under the "others" category at 5.6 percent. Those professionally trained in the categories of Humanities, Natural sciences, Social sciences and formal sciences and mathematics were the least among those reported in the emigrant categories.

4.4 Diaspora Remittances

The following section presents information on how the remittances sent by diaspora are utilized by households. These are based on reports by household members.

4.4.1 Household Utilization of remittances

The households receiving remittances used them for various reasons based on their household priority needs. The majority of the household utilize the remittances on household consumption followed by expenditure on education. These resources may be supporting school going members who risk struggling to meet educational expenses should the money be diverted. Other

household members use the remittances for meeting housing needs while some households channel the received income towards health.

The chart below presents the recorded responses from the household members who participated in the census on how they utilized the received remittances. The information contains the percentages of those who responded by agreeing to have utilized the money on select areas of need which include education, health, household consumption and housing/rental needs.

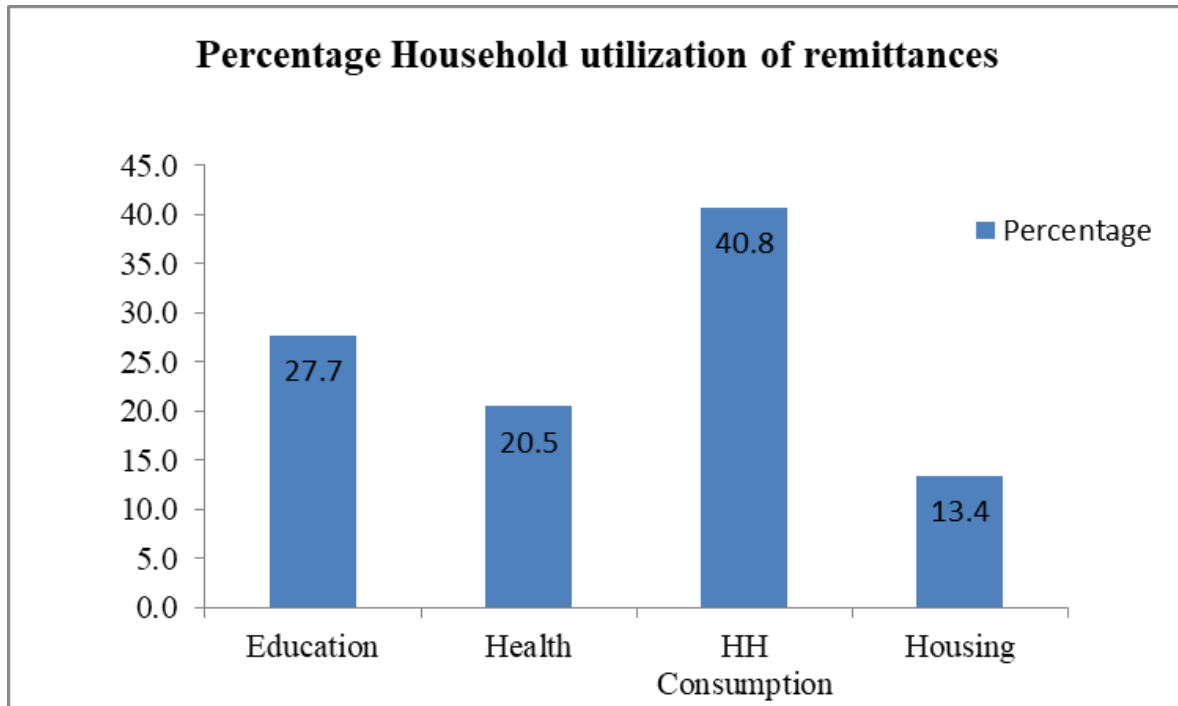


Figure 4.4.2: Household remittance utilization

Source: Researcher's analysis of KPHC, 2019 data)

The chart above displays the utility of remittances as reported by the household respondents in the census survey. From the figure it is clear that household consumption ranked highest among the areas which the remittances were spent on with 40.8 percent respondents agreeing that they spent the remittances on consumption within the households. Education got a percentage score of 27.7 ranking it second after household consumption as top receiver of spent remittances. Health scored 20.5 percent of respondents who stated that they had spent the remittances on health needs and housing/rent garnered 13.4 percent signifying a relatively lower share of remittance spending.

4.5 Distribution of remittance received by counties

Table 2: Percentage distribution of remittance recipient households by counties.

County	Yes	No	DK
Mombasa	5.6	4.8	3.8
Kwale	2	1.2	1.2
Kilifi	3.4	2	2.6
Tana River	0.2	0.1	0.2
Lamu	0.2	0.2	0.2
Taita Taveta	1	0.8	0.4
Garissa	0.4	0.3	0.8
Wajir	0.1	0.1	0
Mandera	0.1	0.1	0.6
Marsabit	0.1	0.1	0
Isiolo	0.2	0.1	0
Meru	1.5	1.6	2
Tharaka-Nithi	0.4	0.5	0.2
Embu	1	1.1	2
Kitui	1	0.8	1.8
Machakos	3.5	3.1	4.8
Makueni	1.4	1.2	3
Nyandarua	1.9	1	0.8
Nyeri	2.7	2.1	2.2
Kirinyaga	1.4	1	0.4
Murang'a	2.8	2	2.8
Kiambu	14.5	12.2	10.5
Turkana	0.2	0.2	0.4
West Pokot	0.1	0.2	0.4
Samburu	0.1	0.1	0.4
Trans Nzoia	1.8	2	2.8
Uasin Gishu	2.8	3.2	4
Elgeyo Marakwet	0.4	0.3	1
Nandi	1.6	1	1.2
Baringo	0.6	0.5	2.4
Laikipia	1	0.9	1.8
Nakuru	5.9	5.2	6.8
Narok	0.4	0.7	0.4
Kajiado	2.4	3.2	2.8
Kericho	0.5	0.8	1
Bomet	0.5	0.4	0.8
Kakamega	0.3	2.9	2.2
Vihiga	1.3	0.9	1.4
Bungoma	1.6	2.1	1.6
Busia	1.4	1.6	0

Siaya	2.1	2	1.2
Kisumu	2.5	3.2	2.2
Homabay	1.6	1.7	0
Migori	1.3	2	1.4
Kisii	3.1	2.1	1.2
Nyamira	1.3	1	0.6
Nairobi city	17.1	25.3	21.3
Total	100	100	100

Source: Researcher's analysis of Kenya Population and Housing Census data, 2019

From the table above, the column highlighted shows receipt of remittances by Counties one year preceding the census. From the information above, Nairobi City County had the highest percentage of respondents (17.1 percent) who received remittances. Kiambu county came close (14.5 percent) followed by Nakuru (5.9 percent) then Mombasa (5.6 percent) as the top four recipients. Counties that reported least number of households that received remittances were Samburu, West Pokot, Marsabit, Mandera and Isiolo (0.1 percent).

4.6 Discussion of the findings

The findings presented in the tables and charts above make different meanings and revelations to this research. There is therefore a need to discuss them in relation to the objectives and questions that this study sought to answer. This discussion is presented following the sequence of Diaspora remittance data from the Central Bank of Kenya, Background characteristics and remittance utilization.

4.6.1 Diaspora remittances to Kenya

The results presented above provide evidence that Kenya receives remittances in monetary form which when aggregated total to USD 2,992,505,680 in the first three quarters of the year. This demonstrates that in the process of aggregating the volumes received, the authority identifies the regions from which the received remittance originates and has categorized them into three namely; Europe, North America and Rest of the world. The category of rest of the world includes a collection of various sources out of both Europe and North America as well as from Africa but excluding Kenya which is the destination country. This data show that a number of Kenyans are living outside Kenya and the results prove that they keep the ties with people back in Kenya and feel some sense of responsibility to channel part of their income back home. The motive behind the practice of sending the money could be ascribed to the theories earlier discussed namely: Altruism, Insurance and Investment. They could be sending part of their income home out of altruistic motives or to insure themselves and families against risks and also their other motive of

remitting could be attributed to investment back at home with intention to return or just secure their future.

4.6.2 Background Characteristics

The background characteristics of emigrants as reported by the household respondents have much to speak about migration, poverty and inequality. The characteristics were grouped into age, sex, level of Education, reasons for migration and professional training of emigrants. This same order is followed in discussing the results.

4.6.2.1 Age of emigrants

The presented results shows that majority of emigrants belonged to the age range 21 to 30 followed by 31 to 40 and third coming 10 to 20. Minority of emigrants came from the age range under 10 years, above 50 years and 41 to 50. This result associates age and migration in terms of years of productivity where people in the age between 21 years and 40 years are the highest composition of emigrants. These years are considered the labour productive years hence investment in migration and the likely returns are viewed by human capital theory as worth considering (Sjaastad, 1962). The labour markets attracts those who are considered to be relatively younger and more productive for longer period of time than those too young to work or too old to be productive for a longer period of time (Faggian et al., 2017; Sjaastad, 1962). This reveals why the higher responses indicated the prime youths at age range of 21 to 30 mostly formed the higher percentage of emigrants from Kenya. The same theory of human capital explains why the age ranges of 51 and above garnered low percentage score as a composition of the emigrants. This people upon weighing the costs of emigration and the returns likely to come out of it, the costs outweigh the benefits hence very few of them opt to migrate.

4.6.2.2 Gender of emigrants

The results classified Gender as either male or female. The data presented above shows that majority of the emigrants based on gender were males (55%) signifying likely shifting of the household leadership roles in case of married males who must delegate their responsibilities to their spouses who were left behind. Women too migrated but comparably in lower percentage of 45% and several effects can be attached to remitting from the gender of the migrant either on married on non-married bases these results confirm the findings of a study in South Africa which concluded that household migration decisions have shifted from being centered around males (Gubhaju & De Jong, 2009). In case of single parents migrating, the duty to care for their young ones shifts to their immediate relatives or caregiver who may be contracted (Teerawichitchainan

& Low, 2021). This means that they are obliged to remit part of their income to meet the needs of the young ones left behind or the costs of the labour accorded.

4.6.2.3 Level of education of migrants

Education as shown in the results contained in the table above depicts emigrants to be of varying educational levels. Majority of them were of secondary educational level followed by tertiary college level then by primary education and university undergraduates came distant fourth. This shows that emigrants possessed some literacy level in Kenya prior to emigrating though additional data is needed to establish whether they joined the job market immediately after arrival or went through some reskilling to adjust their knowledge to the needs and gaps available in the job market. Education is a driver for migration, people move out to further studies some hoping to remain in the destination countries after being allowed residency and absorption into the job market considering the situation in the origin country where jobs would not be readily available and returns would not match the destination country's (Nassimova et al., 2021) this therefore depicts education as a push factor for emigration. Again education equips with language and communication skills, this aids in easy integration of immigrants and could partly form a reason why those with secondary and post-secondary education formed a larger percentage of emigrants as found by the study in France where language training had higher impacts on highly educated immigrants (Lochmann et al., 2019).

4.6.2.4 Reasons for Migration and professional training

The results show that the majority of the emigrants went for employment reasons. Education was the second to employment as those who did not specify ranked third with family related reasons coming close at fourth by percentage score. This shows that people left to secure better returns for their services, skills and time (Sjaastad, 1962). Employment being a way of reducing poverty by increasing household income from earned wages (Lu, 2020), this information therefore hints at the links between migration and household poverty status through this evidence from census data. By education ranking second, it is another way of reducing household poverty by equipping members with skills that can enable them to secure gainful employment, earn and therefore caution the household deprivation. This is the concept of remittance spent in education being of investment, insurance and altruistic benefits. (Abaidoo, 2021; Addai-Boateng, 2019).

In the professional training of emigrants, those who exhibited a mixture of training pulled together were the highest percentage. This blocks every attempt to use the data to predict which

professional training highly emigrated hence cannot be useful in predicting the labour market demands. Those who had vocational training level of professionalism also formed a significant share of the emigrants. This shows the potential that vocational training institutions have in opening up the global skilled labour market to the Kenyan population should it be prioritised and pathways for emigration built by the national government. Those with professional training in mathematics and applied sciences also formed a significant percentage which could imply that there is a global demand in such fields of specialisation therefore future attention should be paid to it in order to help lower the unemployment rates in the country through tapping into the global labour market gaps.

4.6.3 Remittance utilization

The results shown earlier highlight the percentage utilisation of remittances on select areas based on the objectives of this study. It first confirms that remittances form part of the household expenditure on the key areas which determine household deprivations.

The expenditure on household consumption scored highest of them all. This means that the households that spent the remitted income on their consumption needs were more than the rest which spent it on education, health and housing needs. This shows that the motives of remitting based on the theories achieved the altruistic and insurance motives at the household level. If the remittances were not received by the responding households the situation would have been different though no evidence supports this since no specifications from the data on prior conditions and post remittance situations. This answers the research question and objective on the utility of remittances on household consumption. The finding of earlier studies show that remittances leverage household consumption expenditure (Samaratunge et al., 2020) and therefore a likely alleviation of household poverty.

Remittances spent on education was ranked second. However the data available could not provide further evidence on the aspect of education it went into and the effects the expenditure generated. Previous studies found remittance to increase enrolment into educational institutions, sustain those that are already enrolled as well as meet other educational expenses (Affudo, 2020; Amega, 2018) like purchase of requirement such as stationery, uniforms as well as catering for meals and transport to and from school, this leaves a gap in concluding the effect it had though it helps establish that yes it was utilized for educational purposes which may alleviate household

poverty by increasing employability of household members upon completion of education programs.

On health the aggregated response from the short questionnaire did not seek clarity on which aspects of health the remittances were utilized for. Earlier studies in other parts of the world established that remittances that went into education affected household health awareness positively through knowledge increase, those that went into consumption may have cushioned the families from malnutrition challenges and directly the remittance can enable the household members to afford healthcare services from the healthcare facilities available (Amega, 2018). All these benefits may be linked to the effect remittances have in averting the health status of recipient households.

Housing needs of any given household can either be through renting or construction by those families that live in their own parcels of land. If rented the remittances would help in meeting the rental cost (Adu-Darko, 2019) which is often due on monthly basis, if owned the remittances will aid in putting up housing structures (R. Ahmed et al., 2021) which may range from temporary, semi-permanent and permanent structure as well as repairing existing structures to improve the status. Both rented and owned structures vary in condition from the floor material to the roofing material. Availability of resources or unavailability of the same may compel a household to choose one with different conditions. Channeling remittances to housing may therefore reduce the extent of deprivation within the given household hence an alleviating effect on household poverty status.

SECTION FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section presents the summary of the findings, conclusions on the discussions and makes recommendations deemed necessary from this study.

5.2 Summary

The main objective of this study was to establish whether remittances had an effect on household poverty. The specific objectives sought to describe the characteristics of emigrants; establish how the remittances are utilized by recipient households and the implications on poverty alleviation. Descriptive statistics was used to analyze the data from Kenya population and housing census dataset and results presented in tables and figures.

Data from Central Bank of Kenya showed the volume of remittances that Kenya has received in the past three quarters. The bulk of the remittances came from North America as the leading source of remittances in the last nine months. Background characteristics of the emigrants revealed that most migrants were males, majority possessing a secondary level of education, ageing between 21 years and 40 years, trained in several professions and mostly emigrated for employment reasons. The results also showed that, most of the responding household members utilized the remittances for consumption purposes. Education, health and housing/rents were key areas where remittances were also spent. However, very little of the remittances were utilized on investment. This utility evidence helps conclude that remittances help alleviate household poverty even though the data would not detail the effects it had.

5.3 Conclusion

This study therefore concludes that main reason for emigration is employment and majority of emigrants fall in the age bracket of 21 to 40 years. It also reveals that remittances contribute to household expenditure in the target areas of consumption, education, health and housing with very little going towards investment providing evidence that diaspora remittance end up at the household level. The effects this had on household poverty could not be arrived at due to data limitations however being spent on key areas such as consumption, education, health and housing; it could imply alleviation of poverty status in the recipient households.

5.4 Recommendation

Since remittances are established by this study as part of household expenditure, this study therefore recommends that there should be in-depth studies to understand how the remittances make a difference to the households.

The study also recommends that the data collected by central bank should include information on utilization of the remittances by the recipients.

There should be studies that link remittances to alleviation of poverty in the recipient households.

5.5 Areas for further research

This study did not exhaustively cover the effects that diaspora remittances have on household poverty; it focuses mainly on establishing whether the remittances were spent on areas that mostly depict household poverty, a deeper look into what aspect of the areas of utility highlighted were affected by remittance is therefore suggested for future researchers. Future studies should consider whether the remittance sent has effects on the society's perception towards emigration and whether that influences choices of careers pursued. Also it would be informative to study the role of technology in enabling in-kind remittance transfers to households and societies of origin where emigrants can leverage on the advancement of technology to transfer skills and knowledge back to the origin country and the its effects.

References

- Abaidoo, A. (2021). The nexus between education and poverty reduction in Ghana from 2013 to 2017. *Cogent Social Sciences*, 7(1), 1986933.
<https://doi.org/10.1080/23311886.2021.1986933>
- Adams, R. (2011). Evaluating the Economic Impact of International Remittances On Developing Countries Using Household Surveys: A Literature Review: The Journal of Development Studies: Vol 47, No 6. *The Journal of Development Studies*, Volume 47, 2011(6), 809–828.
- Addai-Boateng, A. (2019). Poverty and development: Role of education in poverty reduction in the Ada East District of Ghana [Master thesis, Norwegian University of Life Sciences, Ås]. In 71. <https://nmbu.brage.unit.no/nmbu-xmlui/handle/11250/2632161>
- Adu-Darko, E. (2019). *The impact of remittances on consumption in Ghana* [Norwegian University of Life Sciences, Ås]. <https://nmbu.brage.unit.no/nmbu-xmlui/handle/11250/2639224>
- Affudo, M. O. (2020). *Remittance Inflows and Educational outcomes in Kenya*. Nairobi.
- Agunias, D., & Newland, K. (2012). *Developing a Road Map for Engaging Diasporas in Development: A Handbook for Policymakers and Practitioners in Home and Host Countries*. <https://publications.iom.int/books/developing-road-map-engaging-diasporas-development-handbook-policymakers-and-practitioners>
- Ahmed, A., Iqbal, N., & Mustafa, G. (2020). Measuring the Impact of Remittances on Housing Demand: Evidence from Large Cities in Pakistan. In *PIDE-Working Papers* (2020:10; PIDE-Working Papers). Pakistan Institute of Development Economics.
<https://ideas.repec.org/p/pid/wpaper/202010.html>
- Ahmed, R., Jawaid, S. T., & Khalil, S. (2021). Foreign capital inflows and housing market in Pakistan. *International Journal of Housing Markets and Analysis*, 14(5), 936–952.
<https://doi.org/10.1108/IJHMA-07-2020-0089>
- Akerebari, T. J. (2022). DYNAMIC MODELLING OF THE INFLUENCE OF DIASPORA CASH REMITTANCE ON MACROECONOMIC STABILITY IN NIGERIA. *European Journal of Social Sciences Studies*, 7(2), Article 2.
<https://doi.org/10.46827/ejsss.v7i2.1221>

- Akira, S. (2011). The Role of Altruism in Sending and Spending Remittances. *East Asian Economic Review*, 15(2), 61–82. <https://doi.org/10.11644/KIEP.JEAI.2011.15.2.230>
- Ali, S. R., & Khan, M. W. (2021). *THE IMPACT OF GEOGRAPHICAL DISTANCE ON REMITTANCES: A CASE STUDY OF PAKISTANI DIASPORA*. 9. <https://doi.org/10.34218/IJM.12.1.2021.007>
- Alkire, S., Jindra, C., Aguilar, G. R., Seth, S., & Vaz, A. (2015). Global Multidimensional Poverty Index 2015. *GLOBAL POVERTY*, 8.
- Amega, K. (2018). Remittances, education and health in Sub-Saharan Africa. *Cogent Economics & Finance*, 6(1), 1516488. <https://doi.org/10.1080/23322039.2018.1516488>
- Antoniades, A., Seshan, G., Weber, R., & Zubrickas, R. (2018). Does altruism matter for remittances? *Oxford Economic Papers*, 70(1), 225–242. <https://doi.org/10.1093/oep/gpx035>
- Becker, G. S. (1962). Investment in Human Capital: A Theoretical Analysis. *Journal of Political Economy*, 70(5), 9–49.
- Bett, L. J. (2013). *The Effect of Diaspora Remittances on Economic Growth in Kenya*. 60.
- Bucheli, J. R., Bohara, A. K., & Fontenla, M. (2018). Mixed effects of remittances on child education. *IZA Journal of Development and Migration*, 8(1), 10. <https://doi.org/10.1186/s40176-017-0118-y>
- CBK. (2021). *REPORT OF THE KENYA DIASPORA REMITTANCE SURVEY DECEMBER 2021 (1).pdf* (p. 56) [Survey]. Central Bank of Kenya. <https://www.centralbank.go.ke/wp-content/uploads/2022/01/REPORT-OF-THE-KENYA-DIASPORA-REMITTANCE-SURVEY-DECEMBER-2021.pdf>
- Clavin, P. (2005). Defining Transnationalism. *Contemporary European History*, 14(4), 421–439.
- Diaspora Remittances* | CBK. (n.d). <https://www.centralbank.go.ke/diaspora-remittances/>
- Faggian, A., Corcoran, J., & Rowe, F. (2017). Special issue on youth and graduate migration. *The Annals of Regional Science*, 59(3), 571–575. <https://doi.org/10.1007/s00168-017-0845-2>
- Gubhaju, B., & De Jong, G. F. (2009). Individual versus Household Migration Decision Rules: Gender and Marital Status Differences in Intentions to Migrate in South Africa. *International Migration*, 47(1), 31–61. <https://doi.org/10.1111/j.1468-2435.2008.00496.x>

- Hagen-Zanker, J., & Siegel, M. (2007). The Determinants of Remittances: A Review of the Literature. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.1095719>
- IOM. (2017). *World Migration report* (Migration Report No. 1561–5502; p. 364). International organization for migration. 1561-5502
- IOM. (2019). *Glossary on Migration*. International Organisation for Migration. https://publications.iom.int/system/files/pdf/iml_34_glossary.pdf
- IOM. (2022). *International Day of Family Remittances 2022: Recovery and resilience through inclusion*. International Organization for Migration. <https://www.iom.int/international-day-family-remittances-2022>
- Jena, F. (2018). Migrant Remittances and Physical Investment Purchases: Evidence from Kenyan Households. *The Journal of Development Studies*, 54(2), 312–326. <https://doi.org/10.1080/00220388.2017.1288219>
- Kapri, K., & Jha, S. (2020). Impact of remittances on household health care expenditure: Evidence from the Nepal Living Standards Survey. *Review of Development Economics*, 24(3), 991–1008. <https://doi.org/10.1111/rode.12666>
- Kenya / Data. (n.d.). Retrieved 12 September 2022, from <https://data.worldbank.org/country/kenya?view=chart>
- KNBS. (2020). *2019 Kenya population and housing census: Vol. II*. Kenya National Bureau of Statistics.
- Lochmann, A., Rapoport, H., & Speciale, B. (2019). The effect of language training on immigrants' economic integration: Empirical evidence from France. *European Economic Review*, 113, 265–296. <https://doi.org/10.1016/j.euroecorev.2019.01.008>
- Lu, C. (2020). Does household laborer migration promote farmland abandonment in China? *Growth and Change*, 51(4), 1804–1836. <https://doi.org/10.1111/grow.12431>
- Lucas, R., & Oded, S. (1985). *Motivations to Remit: Evidence from Botswana on JSTOR*. <https://www.jstor.org/stable/1833062>
- Maara, J. N., Manda, D. K., & Kiiru, J. M. (2019). Remittances and Household Expenditure Allocation Behavior in Kenya. *African Journal of Economic Review*, 7(1), Article 1.

- McKenzie, D., & Hillel, R. (2006). Network effects and the dynamics of migration and inequality: Theory and evidence from Mexico. *Journal of Development Economics*, 84, 1–24.
- Medina, C., & Cardona, L. (2010). *The Effects of Remittances on Household Consumption, Education Attendance and Living Standards: The Case of Colombia*. 72, 34.
<https://doi.org/JEL> Classification: F22, I31, P36.
- Nassimova, G., Buzurtanova, M., Smagulov, K., & Kartashov, K. (2021). Mobile Students from Kazakhstan: Migration for Education or Education for Emigration? *Studies of Transition States and Societies*, 13(2), Article 2.
<http://publications.tlu.ee/index.php/stss/article/view/946>
- Nwokoye, E. S., Onugha, C. B., & Kalu, C. U. (2020). DRIVERS OF HUMAN CAPITAL DEVELOPMENT: EVIDENCES FROM NIGERIA. *Timisoara Journal of Economics and Business*, 13(1), Article 1.
- Oruc, N., Jackson, I., & Pugh, G. (2019). The Effects of Remittances on Education in a Post-Conflict Society: Evidence from Bosnia-Herzegovina. *Journal of Balkan and Near Eastern Studies*, 21(1), 90–103. <https://doi.org/10.1080/19448953.2018.1532688>
- Paerregaard, K. (2015). The resilience of migrant money: How gender, generation and class shape family remittances in Peruvian migration. *Global Networks*, 15(4), 503–518.
<https://doi.org/10.1111/glob.12075>
- Petreski, B., Tumanoska, D., Dávalos, J., & Petreski, M. (2018). New Light on the Remittances-Poverty-Health Nexus in Macedonia. *International Migration*, 56(5), 26–41.
<https://doi.org/10.1111/imig.12436>
- Raghupathi, V., & Raghupathi, W. (2020). The influence of education on health: An empirical assessment of OECD countries for the period 1995–2015. *Archives of Public Health*, 78(1), 20. <https://doi.org/10.1186/s13690-020-00402-5>
- Rapoport, H., & Docquier, F. (2005). The Economics of Migrants' Remittances. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.690144>

- Ratha, D., Chandra Vandana, Jammeh Kebba, Riordan Elliot, & Vezmar Maja. (2022). *A WAR IN A PANDEMIC* (Migration and Development Brief No. 36; p. 82). KNOMAD. https://www.knomad.org/sites/default/files/2022-05/Migration%20and%20Development%20Brief%2036_May%202022_0.pdf
- Samaratunge, R., Kumara, A. S., & Abeyssekera, L. (2020). Where do Remittances Go in Household Consumption? Empirical Evidence from Sri Lanka-Wide Micro-data. *International Migration*, 58(5), 194–219. <https://doi.org/10.1111/imig.12697>
- Siddique, H., Shehzadi, I., & Majeed, M. (2016). Do International Migration and Remittances Reduce Poverty in Developing Countries; A panel study of South Asian Economies. *Sci.Int.(Lahore)*,28(2),1519-1524,2016, 28(2), 6. https://www.researchgate.net/publication/326082894_Do_International_Migration_and_Remittances_Reduce_Poverty_in_Developing_Countries_A_panel_study_of_South_Asian_Economies
- Siegel, M., & Lücke, M. (2009). *What Determines the Choice of Transfer Channel for Migrant Remittances?* 26.
- Sjaastad, L. A. (1962). The Costs and Returns of Human Migration. In *Investment in Human Beings* (pp. 80–93). The Journal of Political Economy Vol. LXX, No. 5, Part 2 (University of Chicago Press). <https://www.nber.org/books-and-chapters/investment-human-beings/costs-and-returns-human-migration>
- Stark, O., & Levhari, D. (1982). On Migration and Risk in LDCs. *Economic Development and Cultural Change*, 31(1), 191–196.
- Tabuga, A. D. (2007). *International Remittances and Household Expenditures: The Philippine Case*. 20. <http://hdl.handle.net/10419/127952>
- Tapiwa, D. (2017). *IMPACT OF DIASPORA REMITTANCES ON POVERTY REDUCTION IN DEVELOPING COUNTRIES*. <https://core.ac.uk/download/pdf/213855475.pdf>
- Teerawichitchainan, B., & Low, T. Q. Y. (2021). The situation and well-being of custodial grandparents in Myanmar: Impacts of adult children’s cross-border and internal migration. *Social Science & Medicine*, 277, 113914. <https://doi.org/10.1016/j.socscimed.2021.113914>

- Tullao, T. S., & Cabuay, C. J. R. (n.d.). *International Migration and Remittances: A Review of Economic Impacts, Issues and Challenges from the Sending Country's Perspective*. 33.
- Wai, C., & Tan, Z. (2019). *The Absolute vs Relative Poverty Conundrum*. 5/19, 11.
<https://www.researchgate.net/publication/337940188>
- World Bank, G. (2022). *Multidimensional Poverty Measure*. Multidimensional Poverty Measure.
<https://www.worldbank.org/en/topic/poverty/brief/multidimensional-poverty-measure>
- World Bank Group. (2022). *Remittances*. Migration Data Portal.
<https://www.migrationdataportal.org/themes/remittances>
- Yoshino, N., Taghizadeh-Hesary, F., & Otsuka, M. (2017). *International Remittances and Poverty Reduction: Evidence from Asian Developing Countries*. 28.
- Yussuf, A. M. (2020). *The Effect of Remittances on Child Schooling in Kenya* [University of Nairobi].
http://erepository.uonbi.ac.ke/bitstream/handle/11295/154117/Yusssuf%20A_The%20Effect%20of%20Remittances%20on%20Child%20Schooling%20in%20Kenya.pdf?sequence=1&isAllowed=y

Appendix 1

KPHC questionnaire



REPUBLIC OF KENYA

REPUBLIC OF KENYA



POPULATION AND HOUSING CENSUS 24th/25th AUGUST 2019
SHORT QUESTIONNAIRE FOR EMIGRANTS

E-01: Serial No.	E-01(a): Line No. of Respon dent	E-02: Name of Emigrant	E-03: Sex	E-04: Age	E-05: Level of Education	E-06: Profession al training	E-07: Country of first Destination What was <NAME>'s country of first destination during his/her departure?	E-08: Year of Departure	E-09: Main reason for Departure	E-10: Country of current residence	E-10a: Select the Name of the Emigrant if currently in Kenya.	E-11: Remittances Did <NAME> remit money to any member of this household while outside Kenya in the last 12 months?	E-12: Utilization of funds How was the money utilized?
1													
2													
3													
4													
5													
6													

Codes for E-07 and E-10

Use list of the Countries

Codes for E-05 Education level

1. None
2. Primary
3. Secondary
4. University under graduate
5. University Post graduate
6. Other tertiary colleges
7. DK

Codes for E-06 Professional Training

Use Codes from the Main Questionnaire

Codes for E-09 Main reasons for departure

1. Employment
2. Education
3. Sports
4. Marriage
5. Family related
6. Settlement
7. Others (Specify)
8. DK

Codes E-12 How was the money utilized

- a. Investment **YES/NO**
- b. Health **YES/NO**
- c. Education **YES/NO**
- d. Household consumption **YES/NO**
- e. Housing/rent **YES/NO**