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International School for Humanities and Social Sciences

**Negotiating Personal Success and Social Responsibility:
Assessing the Developmental Impact of Ghanaian Migrants'
Business Enterprises in Ghana**



**MA thesis by Sofia Casini
First supervisor: Valentina Mazzucato
Second supervisor: Hein de Haas**

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Dedication

I dedicate this work to Francesco Casini, my father. While writing my master's thesis, my family became personally involved in a struggle that many, many migrants and their families are facing the world over within their host countries. My father, an Italian immigrant who had been living in the United States for the past thirty years, was placed in a detention center to await deportation proceedings. As my family and I attempted to negotiate the intricacies of the American legal system, my father wrote me beautiful, touching letters describing the other immigrants in the detention center – their lives, their dreams, the enormous responsibility they had for large families back home, and the consequences they faced now that they were no longer able to provide for their families. His letters read like my research study. I read them, thinking of my respondents and how different their lives, and the lives of those connected to them in Ghana, would have been if they, too, were denied the ability to pursue their personal goals and live the lives they valued.

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Finally, I would like to acknowledge my family, and the members of my home community, for the love and constant support you have always given me. You are my immediate and extended family, and from you I understand deeply the concepts of sharing, and of honoring one's social responsibility to provide for others in the community. Thank you for supporting me in everything I do, and for giving me the freedom to pursue a life I value, even though it means I cannot be present in form, living my life with you. I move through life inspired by the positive outlook, the human compassion, and the dedication to justice with which you have raised me.

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Chapter One: Elements of the Research Study

“The money stands upward, it doesn’t come deep. When they give the money to the government my mother will not get that money. They put the money to electricity, to road construction... So the burden comes to me. Deep down to the individuals, the government doesn’t support that. It is up to we individuals, those who have traveled, to support our families.” Osei

1.1. Introduction

With many people leaving developing countries in search of other opportunities, much debate has been generated around migration’s developmental potential. Specifically, attention has focused on if, and how, migration can help the situation in the sending country. Some have claimed that migration has the potential to contribute developmentally by enabling individuals to secure financial resources and increased knowledge and skills abroad, which they can then draw upon within their host societies, or use for the benefit of their home country (Black, King, and Tiemoko 2003; De Haan 2000; de Haas 2003; Taylor 1999; Todaro 1977). Others counter that this potential is rarely realized, and, in actuality, migration has either a neutral effect, or it hinders the development process within developing countries (Cesare 1974; Gmelch 1980; King 2000; Rubenstein 1992). They claim that activities migrants engage in do not contribute significantly towards the economic growth or the technical and industrial progress needed to further the development process within the sending country, and that they may, in fact, make the situation worse for the individuals who are not migrating. To date, there is no clear consensus on whether migration has a beneficial or detrimental affect developmentally.

Some researchers have argued that there are too few surveys specifically designed for gathering data on migration’s developmental impact, with assessments largely based on census data and household surveys that do not capture the relevant data accurately (Taylor 1999). Others have argued that no consensus exists because ‘both the causes and consequences of migration are context dependent’, and developmental impact differs between sending countries (De Haan 1999: 17). The inability to come to agreement has also resulted due to the differing definitions of development being employed by researchers within the migration and the development disciplines conducting studies. In the development literature, there have been advances in the concept of development in recent years, resulting in a more holistic focus on both human

development and economic productivity. The migration literature, on the other hand, continues to focus its assessments more narrowly on income generation and the macro-economic growth of the economy. The lack of a clear understanding regarding migration's developmental impact is especially problematic because research not only shapes the views of other academics and practitioners, but it also has a strong influence over the policy makers who create regulations based on these research findings. This study aims to bring together findings from both the migration and the development disciplines in order to assess the developmental impact of activities migrants engage in and how these activities do, or do not, contribute to the development of the country of origin. In specific, it will look at the role of Ghanaian migrants from the Netherlands who have returned to Ghana to start businesses, and the impact this has had on the migrants themselves and on the members of their social network.

1.2. Theoretical Framework:

Within much of the migration literature, migrants' activities are judged as either productive or unproductive resting on normative assessments of what is, and is not, considered beneficial in contributing to economic growth, and only those activities rendered productive are thought to contribute developmentally (Taylor 1999). Development is defined solely in terms of migration's ability to provide the level of income generation or technical and industrial progress needed to contribute to the growth of the sending country's economy. While investing in education and large-scale business ventures has been considered as productive in much of the literature, other activities that may also have a beneficial impact on the micro-level, such as investing in basic health care, or in assets that can be used productively such as small-scale businesses, land and housing, are often overlooked or assessed negatively (see Gmelch 1980; King 2000; Papademetriou and Martin 1991).

In the past, development studies primarily equated development with economic growth, and activities undertaken by practitioners in development organizations and governmental agencies largely focused on creating the large-scale income generation needed to promote the economy. However, this limited approach to defining development is being increasingly questioned within the recent development literature (see Bebbington 1999; Milton 2001; Moser 1998; Satterwaithe 1997; Sen 1999). A focus on economic growth alone ignores the consequences of inequality of income distribution, which can result when countries grow economically as measured by their

overall Gross National Income (GNI)¹ per head, but still leave a majority of their citizens to live in poverty. Recognizing the inability of economic growth alone to meet the total population's development needs, international organizations such as the International Labor Organization (ILO) and the United Nations Development Program (UNDP) have refocused their development efforts on adopting a basic needs strategy concerned with human development and poverty alleviation instead of the measures of economic growth that they had employed previously (McGee and Brock 2001). In 1990, the UNDP began publishing its annual Human Development Report to present alternative ways of measuring development, and created the Human Development Index (HDI) to measure developmental progress based on indicators such as the percentage of the population who is receiving basic education, has access to essential health care and clean drinking water, and is living with adequate sanitary facilities, among other things. Over the years, a deeper level of understanding has also been reached concerning poverty dynamics, and the critical role that economic and social security play in protecting individuals and their families from risk. This is a crucial finding, as vulnerability and risk have been shown within the most recent development literature to be the most significant factors leading to deepening levels of poverty (see Baulch and Hoddinott 2000; Krishna 2003; Moser 1998). Activities that provide a critical level of security against risk have been adopted as key strategies for poverty reduction, without which development efforts would be undermined severely.

The development discipline has now come to focus primarily on the role that human agency plays in the development process, and on how individuals can overcome poverty, minimize risks, and take advantage of opportunities by successfully utilizing their livelihood strategies. Livelihood strategies are defined as the strategies individuals employ in order to use the limited capital assets they possess in ways that maximize their developmental potential (see Bebbington 1999; De Haan 1999; de Haas 2003; Hordijk 2002; Krishna 2003; Moser 1998). The successful use of these strategies is dependent, in part, on people's access to different capital assets, which are often defined in the categories of financial, physical, human, and social capitals. Financial capital constitutes the monetary resources individuals possess, such as, in a migratory context, the remittance money migrants send back home to their friends and family, or the savings they return with which they can invest in assets such as land, housing, and businesses. Physical capital refers to material items that are used to enhance productivity, such as manufacturing equipment, and, in a business context, merchandise for selling. Human capital encompasses an

¹ The term Gross National Income is currently being used to replace Gross National Product within World Bank and related literature.

individual's skills, labor, health, experience, and knowledge; this capital is generally discussed in terms of work experience gained through employment, increased knowledge through education, and physical well-being. Social capital is more difficult to qualify, as it refers to a resource secured within human interactions. According to Moser (1998: 4), "Social capital is often defined as reciprocity within communities and between households based upon trust deriving from social ties". This definition can be expanded to include not only trust, but also expectations of support within relationships that both individual migrants, and members of their social networks, can draw upon in order to obtain the financial and human resources they need (Portes and Sensenbrenner 1993). Moser draws a correlation between the assets people possess and their state of vulnerability, arguing, "The more assets people have, the less vulnerable they are, and the greater the erosion of people's assets, the greater their insecurity" (1998: 3). However, people's ability to use these assets successfully depends not only on their access to these capital assets, but also on the way in which they strategically use their assets to 'transform them into income, food, and the other basic necessities' (Moser 1998: 5, also see Sen 1981). The livelihoods approach recognizes that individuals must engage in difficult negotiations and decision making to determine which activities to engage in, when to combine activities, and how to do so most productively.

Development specialists such as Sen (1999) have argued for the need to go beyond relating the attainment of capital assets directly to an individual's productivity, and have put forward an alternative definition of development that includes not only increased human resources and capital assets, but also the enhancement of human capabilities. Sen contends that these capital assets are important not just as means to an end, but they are developmental in and of themselves. Under this expanded definition, education, skills, health, security, and access to employment and politics all have inherent developmental values that, together, constitute an individual's overall well-being, with a lack of each constituting deepening levels of poverty. Sen addresses one of the strongest criticisms against migration, that it can have a beneficial impact by increasing migrants' overall well-being, but can have a detrimental impact upon non-migrants in the sending country by stating that in countries where basic human needs are not being met, migration's ability to alleviate this level of poverty may transcend issues of relative deprivation within the community. Sen (Ibid: 11) provides an approach to the development process that is agent-oriented, and places primary responsibility and power with individuals instead of outside actors, stating, "With adequate social opportunities, individuals can effectively shape their own destiny and help each other". His approach equates development with the attainment of basic

necessities and the enhancement of human capabilities that contribute to a person's ability to utilize resources productively, and to realize the goals in life that matter to them personally.

Using this expanded definition of development, activities migrants engage in can be assessed more adequately for the way they contribute developmentally. Empirical studies from both the migration and the development disciplines have shown that various migratory activities can be highly developmental, ranging from the acquisition of capital assets during the migration process, to the productive use of the assets in ways that transform them into livelihood strategies individuals and their families can utilize successfully (see Black, King, and Tiemoko 2003, De Haas 2003; Krishna 2003, Smith and Mazzucato 2003,). The very activities that have been overlooked and criticized within much of the migration literature are being reassessed to determine the way in which they contribute to overcoming poverty and enabling individuals and their families to minimize their risks and take advantage of opportunities.

Perhaps one of the most highly contentious activity that is debated within the migration discipline is the productive, or unproductive, use of remittance money. Contrary to commonly held assumptions concerning the wasteful use of remittances, large scale research studies have found that the majority of remittances are not, in fact, spent conspicuously, but are used for basic needs and investment that could be considered to contribute developmentally. In a nationwide study of migration in Ghana, researchers with the Ghana Statistical Service found that remittance money was not used primarily for conspicuous consumption, but, instead, consumption expenditures related, first and foremost, to providing for family members' basic needs (Twum-Baah, Nabila, and Aryee 1995). Furthermore, in response to criticism that remittances are spent consumptively rather than invested, studies such as the one conducted by World Bank specialists to assess the developmental impact of migration on African countries have noted that once consumptive needs were met, migrants use a high proportion of remittance money for 'non trivial investment purposes', and that 'many assumptions and assertions about the negative aspects of remittance use and effects appear to be based upon partial analyses or generalizations from atypical cases' (Stanton Russell, Jacobsen, and Deane Stanley 1990: 4-5). In their research on transnational Ghanaian migrants' activities, Smith and Mazzucato (2003) support this finding, noting that money is sent home and invested in businesses and housing which generates income and employment in the sending country (also see Black, King, and Tiemoko 2003). Smith and Mazzucato's study highlights the potential multiplier effects from investing remittance money. Multiplier effects occur when one activity sets off a chain of other activities, such as when the

investment in businesses leads to income generation which, in turn, can be used to cover the other costs associated with daily living for the migrant and their family, as well as other members of the community, and can be used for investment in future income generating activities (also see Mazzucato 2004b). Within their study, living transnationally was found to be a highly successful livelihood strategy that enabled the migrants to undertake investment activities. In the migration literature, transnationalism refers to the ‘high intensity of exchanges, the new modes of transacting, and the multiplication of activities that require the cross-border travel and contact on a sustained basis’ (Portes, Guarnizo, and Landolt 1999: 219; also see Vortevac 2001). Smith and Mazzucato’s study noted how individuals migrated back and forth between their host and home countries in order to secure the resources they needed abroad, and then used these resources productively in their home country.

These studies, among others within both the migration and the development disciplines, have contributed greatly to an enhanced understanding of the way migrants’ activities can contribute developmentally. Rather than critiquing certain actions as productive or unproductive uniformly, the human needs approach to development indicates that it is necessary to understand the specific context migrants and their families are operating in. Only then is it possible to assess whether migrants’ activities support or undermine the development process. This study aims to contribute to the migration and development literature by assessing migrants’ business activities in Ghana within a broader, human need based conception of development.

1.3. Research Question and Objectives

In order to contribute to a deeper level of understanding on migration’s developmental impact, I have conducted a study on Ghanaian migrants who lived in The Netherlands, and have now returned to Ghana to start business enterprises in their home country. I gathered empirical data on the establishment of business activities, in particular, because establishing a small-scale business in the country of origin is one of the main activities migrants engage in, and it is one that has been both criticized and praised within the literature. It is also an activity that has the potential to have substantial multiplier effects economically and socially.

My primary research question is as follows:

What has been the developmental impact of the establishment of business enterprises in their country of origin on Ghanaian migrant entrepreneurs and members of their social network?

I operationalize the broader concept of development by using reduction of poverty, provision of security against risk, and the expansion of human capabilities that enable people to realize their personal goals and obtain satisfaction with the life they are living. The study assesses whether, and in which ways, the establishment of business enterprises contributes to human development for the migrant entrepreneur and for members of their social network. At the social network level, individuals included in the study are employees assisting in the operation of the business enterprise, including friends, family members, and unknown workers hired specifically to carry out various activities, as well as friends and family members who are not involved in the business enterprise, but are impacted on the basis of their relationship with the migrants.

This research study assesses the events that occurred during the individual's time living abroad, and once they returned to their country of origin, in order to provide a broader understanding of how the migrant entrepreneurs, their workers, friends, and families have all been affected developmentally. An analysis that focuses on the business creation in the home country alone when determining developmental impact will lead to insufficient understanding. It is impossible to differentiate between the migration process and the business creation when asking broader questions that relate not only to the realization of financial objectives and the ability to provide material support, but also the realization of personal goals and the more psychological and emotional experiences that impact an individual's well-being. For instance, in order to assess developmental impact, the ways in which migrant entrepreneur's accumulate financial, physical, human, and social capital abroad is important to document, as these assets enable them to use business creation in their country of origin as a strategy. However, the capital assets gained abroad are not, in themselves, developmental, without noting the way these capital assets, and the experience of obtaining them, contributes developmentally to meeting the whole range of financial needs and personal goals of the migrant entrepreneurs and members of their social network.

1.4. Methodology

1.4.1. Geographical Focus of My Study

My field research was conducted in Accra, the capital city of Ghana, from July to October 2004. I focused my study upon Ghanaian individuals who had lived in The Netherlands for at least a one-year period, and then established businesses within their home country. All of my respondents located their businesses within Ghana, though some remained there permanently, while others moved back and forth between Ghana and The Netherlands, living transnationally by spending almost equal time in both countries. The research study was limited to Ghanaian migrants who had resided in The Netherlands based on four considerations.

First, the study focused specifically on Ghana because it is a low-income country with a high degree of both emigration and return migration, and where other migration research studies seem to indicate that returning migrants' establishment of business enterprises is a relatively common livelihood strategy (see Black, King, and Tiemoko 2003; Smith and Mazzucato 2003). In Ghana, a high percentage of the population faces enormous difficulties in obtaining the resources they need to acquire basic necessities such as food, primary education, access to affordable health care, clean drinking water, and adequate sanitation. The government's inability to provide a critical level of social security makes migrating abroad, as well as returning to start businesses, strategies many are utilizing to support those they care for in times of difficulty.

Second, this study was undertaken with Ghanaian migrants from The Netherlands in order to contribute to the work of other research programs that are focusing on this newer, and relatively large percentage of the host country's immigrant population. My research is embedded in the Ghana TransNet research program that specifically looks at Ghanaian migrants living in The Netherlands and their transnational social networks (<http://www2.fmg.uva.nl/ghanatransnet>).

Third, I limited my study to The Netherlands because there are differences in the opportunity structures present between The Netherlands and countries such as the United Kingdom, the United States, and Canada; all countries that host significant populations of Ghanaian nationals, but have vastly different immigration policies and social welfare systems, and offer differing opportunities. For example, Ghanaians who migrate to the United States and the United Kingdom have been found to be more highly educated than migrants in The Netherlands, largely

due to the educational opportunities available in those countries (Manuh 2004). It was necessary to limit unknown variables so that they did not create complications in my analysis of the empirical findings.

Fourth, I thought limiting the destination country to The Netherlands would best enable me to contextualize, assess, and connect to my research respondents' experiences during their migration process. I was well aware of the country's changing economic and political climate, and the Dutch population's shifting views on immigration. I had researched these issues at length during my studies, and had discussed them openly with academics in the migration and development disciplines, with immigrants residing in The Netherlands, and with Dutch acquaintances. I had also experienced them personally as a migrant residing in the country.

1.4.2. Selection of Research Respondents

In total, nine migrant entrepreneurs were selected to participate in my research study. Roughly half of the individuals who participated in my study were migrants who took part in the Internationalization of Entrepreneurship (IntEnt) program, an independent development program established in The Netherlands to assist migrants who want to create viable businesses in their country of origin (<http://www.intentbds.nl/index.htm>). IntEnt provides entrepreneurial training to migrants, offers assistance with market research and the formation of business plans, and helps with securing bank loans. Migrants were selected from the IntEnt development program, in part, because I thought using their clients would enable me to present findings that might contribute to their ability to support migrants in these activities, and that these findings could be used to strengthen similar development organizations' programs. Respondents were selected from the IntEnt program as well because of the practical assistance IntEnt's local coordinator in Ghana, who supports the entrepreneurs once they have established their businesses, was able to provide in helping me to locate individuals from my research population to participate in my study. One respondent was introduced to me via one of the IntEnt clients mentioned above. My research assistant introduced the remaining three respondents to me. He worked previously as an agent at the Tema harbor, located near Accra, where he was paid by migrants to offload their merchandise from shipping containers, and to transport these goods to their import/export businesses. With the help of his nephew, who currently runs an import/export business of used electrical goods, he introduced me to three individuals who fit my selection criteria.

1.4.3 Selection Criteria

From the outset, the only specific criteria I used concerning each respondent was that they lived in The Netherlands for at least the one year period leading up to the establishment of their businesses in Ghana, and that they be present in Ghana for a significant enough period of time to allow me to carry out my fieldwork study. Namely, I needed to conduct multiple in-depth interviews with each respondent, and to have the opportunity to visit all of their businesses if they were operating more than one business simultaneously. I purposefully did not limit my study to either 'productive' or 'non-productive' businesses, instead choosing to disregard the distinction placed on what constitutes a productive versus unproductive business that is employed in much of the literature, and by the IntEnt development program. I considered all businesses productive if they contributed to the human development process as defined within my study. I also did not place parameters on age, education level, sex, tribal identity, or other defining socio-economic characteristics, instead allowing these characteristics to be dictated by the manner in which my respondents were selected for my study (Appendix 1, Table 1, pg. 122). Finally, I did not make a distinction between migrants who were intending to live in Ghana temporarily versus those returning permanently. I left my study open to include migrants who were operating their businesses transnationally, with part of their time spent in The Netherlands, and the other part in Ghana.

A selection criterion I had hoped to employ but was unable to do was to include female migrant entrepreneurs in my respondent base. Instead, all nine of my research respondents were male. I had hoped to also include female migrants who had lived in The Netherlands and returned to Ghana to create businesses, but I did not encounter any of these individuals during the course of my study. When contacting women's business associations to inquire about potential respondents, I was told by the director of the Ghana Women's Business Association that women from The Netherlands rarely formed businesses in Ghana, unlike those who had migrated to the US or the UK, and those who did were usually unsuccessful and returned to The Netherlands quickly (interview conducted August 14, 2004). While it is beyond the scope of my research project to investigate this phenomenon more deeply, other large-scale research surveys with the same selection criteria were also largely unable to locate female participants (de Hoop, Forthcoming), indicating that my all male respondent base may be representative of the larger Ghanaian-Netherlands based entrepreneurial population.

1.4.4. Data Gathering Process

The data gathering process for my research study consisted of three to five in-depth qualitative interviews with each respondent, and observations of interactions that took place during their daily business activities. The topics of interviews included 1) general background information on each respondent, such as socio-economic characteristics of their family, previous employment in Ghana, and personal goals for migrating, 2) their experiences during the migration process, and the ways in which they acquired capital assets to establish the business enterprises in Ghana, 3) the support respondents provided to members of their social network abroad, and upon establishing the business enterprises, 4) the members of the respondents' social networks, past and present, who were involved in assisting them with establishing and operating their businesses, and 5) the factors contributing to the financial success and failure of past and present business enterprises in their country of origin. Much of the information obtained during the interview process has been presented in tables throughout the report, and in the rear of the study, in order to provide overviews that assist the reader in assessing the research findings.

Only individuals who were currently operating businesses were interviewed during my research study, so information was not obtained from individuals who had failed in their attempts to establish business enterprises and were undertaking other activities. However, some of the interviewees had established previous business enterprises in Ghana that had failed, and were now undertaking their second, and even third, attempt at creating a viable business. The information provided by these respondents concerning their failed business enterprises contributed greatly to the study.

Strengths and limitations were present in the data gathering methods employed during the study. Multiple visits allowed me to check the accuracy of information provided, and to observe activities that took place which were relevant to the study. Observations which took place in the respondents' places of business proved to be particularly useful when gathering information on assistance provided by and for friends and family, though it should be stressed that these individuals were not interviewed as part of the research process, and therefore did not have the opportunity to confirm or deny specific information provided by the respondent. Significant limitations were inherent in relying primarily on the information presented by the respondents during the interviewing process. Most notable was the inability to assess whether information was being provided factually. This could be discerned partly by triangulating with information

gathered during different interviews with the same respondent, and partly with direct observation of activities or interactions that contradicted what respondents were telling me.

Another more general limitation that affected the data gathered was my role as an independent researcher who was introduced by, and therefore associated with, the IntEnt development program. Some of my respondents had undertaken in the past, or were currently undertaking, activities which they felt IntEnt would not approve of. Because they associated me with IntEnt initially they either did not tell me about these activities or they purposefully presented me with the incorrect information that they had shared with the development program. Once rapport had been established, and they had come to trust in my role as an independent researcher who would treat information they provided confidentially, a few of my respondents shared information they had been previously withholding. This information has been purposefully withheld from this report to protect my respondents' confidentiality. However, withholding this information does not significantly affect the data gathered and presented, or the concluding analyses for my study.

Certain characteristics of the respondents' business activities had significant influences upon the data gathering process during the research study. First, the majority of my respondents were involved in operating multiple businesses simultaneously (Appendix 1, Table 2, pg. 122). This was interesting, as many of the individuals were presented by IntEnt and by my research respondent as only operating one business, and information about the other businesses came out gradually during the interview process. This made data gathering more difficult because the respondents were extremely busy traveling between their businesses that were located in different parts of the city, which presented particular challenges to their ability to participate in interviews scheduled in advance. It also meant that in order to obtain sufficient information on all of the businesses and to visit them personally, four to five interviews were conducted with most of the respondents instead of the anticipated two to three. Second, the majority of the respondents were running import/export businesses either as their primary businesses, or in addition to the businesses they had presented initially. The term import/export simply refers to any business where merchandise is imported from abroad. Export is placed in the title because many operating import/export businesses live transnationally, spending a few months abroad to gather merchandise, returning to Ghana for the time it takes to sell this merchandise, and then returning abroad to begin the import/export cycle again. Essentially, almost half of my respondents were living their lives in both countries, either because of import/export activities or because of they had left behind their families. I had anticipated that some of my respondents

would be operating their businesses in this manner, but had not realized the extent of this activity, and the way in which it would impact my ability to locate respondents, and to gather the information I needed. During the data gathering process I was able to conduct the necessary interviews with eight out of the nine respondents, but am missing key information for one of the respondents due to this transnational activity (Table 2.2, pg. 48).

Finally, my own identity as an outsider – specifically, as a young, female, white American researcher who had previously lived in The Netherlands – presented both assets and limitations to my ability to gather and assess information for my study. Interestingly, though I had been highly concerned about the information I would, and would not, be able to gather as an outsider to the country, this turned out to be more of an asset than a liability. I found that my respondents were more willing to share certain pieces of information with me *because* I was an outsider. For instance, as an outsider, my respondents could discuss difficulties inherent in their social roles as return migrants, where friends and family acted differently towards them than they had previously, and where they were assailed with constant demands for financial assistance that they found very difficult to satisfy, but equally difficult to deny without being judged negatively. This information, which turned out to be essential to my study, was shared easily precisely because I was an outsider for whom they did not need to uphold a ‘successful’ image, and instead could share with me many of their difficulties. My sex and youth were also assets in that I was a non-threatening figure within Ghanaian society, which meant that my respondents shared their time without needing to prove their higher status level, which could have been a potential barrier to obtaining information that presented them in a negative light, and to rapport building. Another interesting finding was that my role as a white American did not hinder me substantially. Ghanaians do not have distrustful relationships with or negative images conjured about white people, or Americans, so I did not have to overcome barriers presented by my nationality or my race. Instead, my role as a fellow migrant in The Netherlands was much more important as the initial connecting point, and it significantly influenced the way my respondents and I related. Although my experiences as a white American foreign student were undoubtedly different than my respondents’ as black economic migrants from Africa, with all the added racial prejudices and judgments their role elicits, in many instances the shared experience of living in The Netherlands as foreigners enabled us to establish rapport easily.

One definite limitation I encountered from my role as an outsider was that there were many concepts I did not understand that an individual from the country would have understood

instinctively. For example, it took much time to discern how socio-economic characteristics of poverty and wealth were determined within Ghana, and to understand the very important differences in the way the concept of lower, upper, and middle income were employed within Ghana and Western societies. An understanding of income levels within Ghana, and the fact that they do not have the same meaning or operate in the same manner as they do within Western societies was essential to my understanding of economic need and opportunities, and, ultimately, the developmental impact being assessed within my study. During the course of the research, instead of trying to discern which jobs, housing locations, and education levels, etc., indicated each of these income levels within Ghanaian society, I decided to have each respondent indicate the income level of their family. At a later date, when I had a better understanding of Ghanaian society, I was able to discern that their stated income levels appeared to be accurate, as they correlated with the respondents' educational attainments, prior employment, financial resources and family assets, and personal opportunities. My role as an outsider, and my inability to have a full understanding of Ghanaian culture upon entering, provided challenges to assessing data initially. However, by the completion of my research study, I had gained a deeper level of understanding concerning the backgrounds of the nine respondents who participated in my study, how they were able to undertake the activities they were engaged in, and the overall developmental impact of these activities.

1.4.5. Conclusion

Essentially, conclusions can be drawn from this in-depth qualitative research study regarding how and why these nine respondents undertook migration and the establishment of businesses in their country of origin, and how this livelihood strategy contributed developmentally to the migrant entrepreneurs and members of their social network within their home country. Given the limited number of respondents participating in the study one cannot make deductions concerning the prevalence of certain activities among migrant entrepreneurs establishing businesses in Ghana, or the macro-level social and economic impact of these activities. Nevertheless, one can gain a deeper level of understanding concerning the ways in which migration and the establishment of businesses within the country of origin can impact individuals developmentally.

1.5. Background on the Political, Economic, and Social Climate

1.5.1. Background Information on Ghana

Ghana is an ideal location to carry out a research study on migration and development because it is experiencing many of the same social and economic constraints as other low-income countries are facing globally, while it also has a large number of people emigrating abroad in order to overcome these constraints (Twum-Baah 2004). When Ghana achieved independence in the late 1950s, the country was filled with optimism for the newfound economic and political stability. The economy did very well initially and its citizens enjoyed a relatively high level of prosperity, with Ghana's high per capita income making it a destination for many immigrants from other West African countries (Adepoju 2000). However, over the following decade Ghana's economic situation declined dramatically. Adepoju (2000: 10) notes that inflation 'rose by leaps and bounds', and basic food items became out of the reach of low paid workers. By the late 1970's Ghana's deteriorating economy had led to the exodus of both skilled and unskilled workers, beginning the intensive migratory transformations within Ghana that have since taken place. Politically and economically, Ghana was crippled further by the decisions made during the Rawlings' government in the 1980's and 1990's. Under President Rawlings, Ghana took a steady succession of IMF and World Bank loan packages with their accompanying Structural Adjustment Programs (SAPs), plunging Ghana's economy further and further into debt. These adjustment programs included strict conditions the government must adhere to in order to obtain loans, such as massive cuts in the government's public sector employment, reduction in public spending on social services, and a move towards the privatization of public industries (Adepoju 2000, Amenga-Etego and Grusky 2005). As was done in many other African countries that underwent structural adjustment programs, the Ghanaian government removed subsidies on health care and education and introduced new user fees. These user fees were imposed at a time when many Ghanaian families were struggling with unemployment and escalating inflation, leading to reduced enrolment rates in schools and increased difficulties in affording basic health care (Amenga-Etego and Grusky 2005). Furthermore, the public water and sanitation sector were decentralized and defunded in an attempt to privatize these industries, leading to rising costs and insufficient services that have severely affected the access of Ghanaians to clean, affordable water. The consequences were that many Ghanaians became highly susceptible to accompanying water-related diseases, such as malaria and guinea worm, and the morbidity and

mortality rates escalated within the country (Ibid). In her research concerning family survival in Ghana, Clark (1999) discusses the enormous difficulties Ghanaians were facing under these severe economic conditions, where young people had very little resources available to them, and limited opportunities to generate the income they needed to support themselves or provide for the elderly members of their family.

Currently, there is reason for guarded optimism in Ghana, and it appears that the situation is improving. The fair and non-violent democratic elections of President Kufour in 2000 and 2004 have signaled a level of political stability that encourages private investment in the economy, and has been partially responsible for the return of Ghanaians abroad that left because of the political situation and the lack of opportunities. However, given that the World Bank (2003) estimates that 40% of the population is currently living below the national poverty line, in spite of economic improvements a significant portion of the population still faces enormous obstacles in obtaining food, access to basic education, clean drinking water, adequate sanitation facilities, and health care. Many simply cannot afford to send their children even to primary school, nor can they afford to purchase the safe drinking water or the equipment and medication necessary to provide protection and treatment against sickness and disease. Unemployment and underemployment are also still high, and the Ghanaian government continues to face very large debt payments and great difficulties in providing the social services people need. Ghanaians who cannot find formal employment are left to secure irregular, often low-paying employment within the informal economy. In most cases, this employment does not allow them to pursue their personal goals, nor does it enable them to provide for their family's needs. Instead, they must rely on the support of kinship networks, or they must suffer without if they do not have family who is able to assist them in times of difficulty. All of these factors place enormous strain upon informal systems of social support such as the extended family (Clark 1999, Adepoju 1997, Ocholla-Ayayo 1997).

1.5.2. Kinship Networks as Social Security

Within Ghana, as in many other African countries, kinship networks act as the primary unit of social security. Researchers such as Ocholla-Ayayo (1997) have argued that modernization, and urbanization in particular, have created an 'individualistic urban life' which has led to the disintegration of kinship obligations within the extended family, where 'even the communal responsibility to care for one another has been eroded as emphasis has shifted to the individual

family' (Ibid: 71). Others such as Adepoju counter that the African family is currently undergoing intensive transformations, but it remains strong as the primary unit of social security. He states,

It is the African family rather than some other institution(s) that primarily continues to bear the burden of the various stresses being experienced in the different sectors of society, be they economic, social, political, or of a different kind. In that respect, therefore, the significance of the African family in terms of functions and responsibility have probably increased rather than decreased (1997: 8).

Individuals' education, health expenses, marriages, funerals, food, and other daily expenses are all associated with kinship obligations. Clark's (1999) study on how the Asante² negotiate survival given the economic hardship many are facing is useful in understanding the way kinship networks act as a social support system within the country. The Asante culture is based on the matrilineage, which means that inheritance, responsibility, and decision-making are all based on the female bloodline. Clark notes that joint decisions about funerals, inheritance, and other major financial issues are handled by the matriliney³, and 'connections with siblings, cousins, uncles, and other lineage kin provide channels for requesting more specific assistance, such as job referrals, school sponsorship, loans, housing, or domestic help'. Those who have the means to provide this assistance but actively deny their social responsibility face significant social consequences. Those who act individualistically and deny others support may be sanctioned by being ostracized socially from other members of the family, denied inheritance or burial rights, and denied support if they later come into times of difficulty.

Clark observes the facts that many individuals are not acting individualistically when they deny requests for assistance, they are simply unable to offer support given the economic hardships they are facing. She discusses the enormous strain the extended family has been going through, as young people are experiencing mounting frustrations given the extremely limited educational and employment opportunities, and the burden is placed on a limited number of individuals to provide the social support necessary. She states,

The potential for spreading risk among a large network of lineage kin has been a substantial asset for Asante in absorbing past economic shocks. This basis of resilience is shrinking, even as economic restructuring displaces more and more risks on to the lower

² The majority of my research respondents (six out of nine) belong to the Asante tribe. This appears to be representative, as the Asante make up the largest population of Ghanaian migrants in The Netherlands.

³ Members of the matrilineage include an individual's uterine brothers and sisters, their mothers' brothers and sisters, and their mothers' sisters' children (Clark 1999: 5).

echelons of society. It only works if these kin are positioned to draw on diverse economic resources, not if they all depend on a few central figures already... The Asante are not degenerating into irresponsible individualism but struggling hard to fulfill their still vigorous commitment to lineage connections (1999: 10).

These kinship obligations place great responsibility upon financially stable individuals to provide for others who are unable to support themselves and their families. However, even individuals with stable employment face difficulty in realizing their personal goals and meeting their own basic needs, let alone supporting other members of their extended family financially. For example, with a stable and decent salary, a Ghanaian could provide his own children from his nuclear family with secondary school education, and may be able to provide them with the financial resources needed to start a small venture, such as a sewing shop operated locally. However, this is not an accurate way to describe a Ghanaian family. Within Ghana's extended family system, those who are employed provide not only for their immediate family, but also for a host of other less fortunate relatives, meaning that wages are stretched far beyond individual livelihoods. Even secondary school fees may present stably employed individuals with difficulties. Most of the people who are able to pay for secondary school fees and the costs of basic health care would be considered to be middle class, yet even for these individuals the financial resources they have at their disposal many not be enough to provide all of the support others are requesting. The economic and social pressures facing individuals within Ghana place great pressure on them to seek out other opportunities, such as using migration to realize their personal goals and provide support to their families.

1.5.3. Political Environment Within Host Countries

The ability for individuals to employ migration as a livelihood strategy is highly dependent on the opportunities present within their destination countries. Western nations, who hold the majority of the world's wealth, have found themselves the recipients of many who have come to take advantage of opportunities such as personal freedom, safety, education, and money (Castels and Miller 2003). In recent years, economic migrants have come to be seen in an extremely negative light, leaving their countries in states of economic and social crisis, while living selfishly off of others' riches and causing disruptions and difficulties for the host society (Bocker 2000, Castels and Miller 2003, Vermeulen and Penninx 2000). The injustice of this view is staggering, as many of these individuals migrated abroad in order to pursue personal goals that members of their host society take for granted, like saving money for an education or a business,

and to secure the resources needed to provide for family members back home who depend on them economically. Low-skilled economic migrants, in particular, are facing increased levels of hostility from members of their host societies, and they are being targeted by restrictive and potentially harmful policies to limit their access and facilitate their return to their home countries. These policies are understandable from a political standpoint, as they are based largely on confusion, economic concerns, and fear-based reactions from members of the host society. However, there is reason to argue that they are not only unjust, given the tremendous inequality of wealth and opportunities which exists globally, but they may actually exacerbate the situation by having negative repercussions for the development process of the migrants' sending countries (De Haan 2000). It is critical that policy makers have accurate information to draw from concerning whether migratory activities are or are not, in fact, furthering the development process of the sending country so that they have a full understanding of the consequences for the decisions they are making.

1.6. Conclusion

It is my hope that by undertaking new empirical research using an expanded definition of development, and a greater understanding of the productive, and, hence, developmental potential of activities migrants engage in, more accurate and useful information can be generated to assess migration's impact on development. In this chapter, I have attempted to present theoretical and empirical insights concerning migration's developmental impact, to provide an overview of the methodologies employed in the research study, and to present the research study's context by highlighting the economic, social, and political environments existing within the respondents' host and home countries. In Chapter Two, I will assess the ways in which the creation of business enterprises in the country of origin have, and have not, contributed to the development process of the migrant entrepreneurs and members of their social networks within their home country. I will do so by focusing on 1) the respondents' ability to accrue the capital assets they needed abroad, and the experiences they had while obtaining these assets which led them to pursue business creation as a strategy, 2) the developmental impact upon the migrant entrepreneur of using the migration process, and business creation in their country of origin as strategies, and 3) the contribution to poverty alleviation, insurance against risk, socio-economic development, and enhanced levels of well-being for members of the respondents' social networks which resulted from the multiplier effects of the respondents' activities. Chapter Two

will provide a broad overview of the developmental impact experienced by the participants in the study, but deeper exploration is needed in order to understand which factors influenced the ability for business creation in the country of origin to contribute developmentally. Recognizing the specific economic and social environment the migrant entrepreneurs are working within as they establish and operate their business enterprises, and the strategies they use to overcome constraints and take advantage of opportunities within this context, is critical in order to understand how the developmental process occurs, and how it is hindered, when using business creation in the country of origin as a strategy. In Chapter Three, I will contribute to this understanding by highlighting the factors that have supported and hindered the financial success of the business enterprises. Whether the respondents are able to become financially successful has a direct impact on their personal satisfaction, and on the level of support they are able to provide to others. Economic success alone, however, does not determine the business enterprises' ability to contribute developmentally. Migrant entrepreneurs hold a host of personal reasons for establishing the business enterprises in their country of origin, and must negotiate between often conflicting personal goals and other people's needs in order to realize the greatest developmental impact of using this strategy. In Chapter Four, I will explore the strategies each respondent uses to maximize developmental impact by negotiating between the financial success of their business enterprises and their social responsibility to provide for their friends and members of their immediate and extended family. Finally, I will conclude my report with practical suggestions, theoretical insights and policy recommendations supported by the research findings.

Chapter Two: Developmental Impact of Migrants' Business Creation Strategies

“Europe is good when you are young and strong, but once you are older it is too difficult to do the hard labor required. The only option in Europe is to go on social security... Instead, I am running businesses in my country.” Osei

2.1. Introduction

As indicated in the quote above, the respondents who participated in this research study decided to migrate abroad, and then to establish business enterprises in their home country, as part of a larger livelihood strategy undertaken after evaluating the options before them, and deciding which activities would best enable them to realize their personal goals most successfully.

In this chapter, I will explore the way the migration process has influenced the respondents' decisions to create businesses in their country of origin, how it has enabled the respondents to utilize this strategy, and the developmental impact using this business creation strategy has had upon the migrant entrepreneur and members of their social network. Development will be defined holistically, focusing on the accrual of resources for poverty alleviation and security against risk, and the enhancement of human capabilities to pursue opportunities and obtain personal satisfaction with the life one is living. Within this chapter, developmental impact will be assessed first at the individual level of the migrant entrepreneur, and then at the social network level of their workers, friends, and family.

In order to evaluate developmental impact for the participants in the study, in section one I will first explore how the migration process has enabled the respondents to gain the financial, physical, human, and social capital assets needed to establish their business enterprises and to enhance their human capabilities. I will then assess how pursuing businesses creation in their country of origin has enabled and constrained the respondents in their ability to realize their personal goals, and to be satisfied with the lives they are living. Examining their own statements of personal objectives will provide the criteria for assessment, as will accounts of experiences they had abroad and upon returning. In section two, the developmental impact of the establishment of business enterprises will be assessed in terms of the multiplier effect experienced by members of the migrant entrepreneurs' social networks. I will explore the way this strategy has contributed to the human development process by providing resources needed to

obtain basic necessities, enhanced human capabilities, insurance in times of difficulty, and a broader base of financial security, all of which have the potential to lead to poverty alleviation, socio-economic development, and enhanced levels of overall well-being.

2.2. Developmental Impact on the Individual Level

How the migration process, and the establishment of businesses in their home country, enabled the respondents to realize their personal goals is central to assessing the larger developmental impact of these strategies. Each of the nine respondents held complex personal goals for migrating abroad, and for creating businesses in their country of origin, which correlated with their personal definitions of success and with the needs of their families. Seven out of the nine respondents stated going abroad to make money, and two migrated initially as refugees. Underneath the all-encompassing answer of “making money” there were important differences between the respondents’ personal goals for migrating, and for establishing businesses in their home country. Some of the respondents migrated in order to save money abroad so that they could expand their business enterprises back in Ghana, and increase their social status within society. They were also responsible for supporting family members financially, but other members of their family possessed financial resources as well so the burden of support was not placed upon them solely. Other respondents migrated with the intention of making money largely in order to provide for family who depended on them economically. They also hoped to enhance their status and personal opportunities once abroad, but this did not appear to be the most important factor in their decision-making for migrating. Most of the respondents, however, did not place one goal over the other as primary. Instead, they migrated hoping to do both - achieve financial success while providing assistance to their family. The respondents also varied in their reasons for choosing migration, in particular, as a strategy. Some stated they would not have chosen to live so far away from their friends and family, given the option, but they migrated because they felt living abroad was the best way to obtain personal and financial success given their limited opportunities. Others cited migrating abroad precisely *because* they wanted to live life in another country. Becoming cosmopolitan by meeting new people, seeing more of the world, and experiencing new things was something they valued highly.

Their reasons for establishing their businesses in their country of origin largely correlated with their reasons for migrating. Some had always intended to start businesses in their home country,

while others chose business creation in Ghana once they had assessed their options abroad and decided this was the best strategy. Personal goals, familial needs, and the opportunities available to each respondent were all determining factors in their decisions to migrate abroad, and then to create businesses in their country of origin. Each factor must be taken into account when assessing the developmental impact of migration, and business creation, as livelihood strategies.

2.2.1. Capital Asset Gain During the Migration Process

The respondents' ability to gain the capital assets they needed abroad was integral to their ability to realize the personal goals they were hoping to achieve.

Table 2.1: Capital Assets Gained Abroad During the Migration Process

Name	Financial Capital	Physical Capital	Human Capital	Social Capital
Kofi*	None	Used merchandise	None	Business partners
Jerry	Savings from employment and business creation	Used merchandise	College business studies, management skills, business skills	IntEnt, business partners, Wife
Akoshi	Savings from employment, IntEnt loan	Garage machinery	None	IntEnt, Wife
Kwame	Savings from employment and business creation, IntEnt loan, loan from Dutch friend	Embroidery machinery	Computer skills, equipment training, management skills, business skills	IntEnt, Wife, Wife's family, Dutch friend
Kwesi	Savings from employment and business creation, loans from Ghanaian friends	New and used merchandise	Cross-cultural understanding, business skills	Fellow Migrants
Samuel	Savings from employment	Used merchandise garage machinery	Increased mechanics skills	Fellow Migrants, Wife
Osei	Savings from employment	Used merchandise	None	Business partners
Mohamed	Savings from employment, IntEnt loan	Equipment for chip making	Chip making training	IntEnt, Wife
Abdul	Savings from employment and business creation, IntEnt loan, loan from Ghanaian friends	Laundromat equipment	Management skills, business skills	IntEnt, Wife, Fellow Migrants

Source: Interviews conducted July - October 2004

Notes: * Kofi formed his import/export business before migrating, and all financial capital was acquired in Ghana. Only physical and social capital gain was needed to operate the business.

Their participation in my study meant that each of the respondents chose establishing a business in Ghana as their optimal strategy. To do so, they needed to secure significant levels of

financial, physical, human, and social capital, and to transform these capital assets into resources they could draw upon that would enable them to realize their personal goals, and to support their families. Though all, eventually, succeeded in securing the capital assets they needed, there was a high level of differentiation concerning the level of capital assets the migrant entrepreneurs were able to secure in The Netherlands, and the kinds of assets they were able to obtain.

2.2.1.1. Financial Capital

As the respondents had realized with their uniform desire to make money, gaining financial capital abroad was critical to their ability to successfully pursue their livelihood strategies. Respondents obtained this financial capital abroad from a variety of sources, including employment, savings generated from establishing small companies, small personal loans from Dutch and Ghanaian friends in The Netherlands, and larger scale loans from Ghanaian and The Netherlands based banks (Table 2.1, pg. 29).

The respondents varied in their ability to obtain access to opportunities for obtaining high and low skilled employment in The Netherlands, and to obtain the accompanying high and low levels of financial capital as salary. All of the respondents were what is considered low skilled initially, but some were still able to access higher skilled, higher paying employment in The Netherlands, and were therefore able to send home significant amounts of remittance money with less hardship, while also saving for future endeavors and enhancing their human capabilities. These individuals were able to obtain a higher salary and enhanced job skills because they gained employment within a company in The Netherlands, and were then provided with the opportunity to advance professionally. However, the majority of the nine respondents acquired low-skilled, low-waged employment in The Netherlands, such as cleaning and factory work, and temporary jobs in companies. Most also worked multiple jobs simultaneously in order to pay for their living expenses and support their families back in their country (Appendix 1, Table 1, pg. 122). For some of these individuals, their inability to secure higher paying employment placed a great deal of stress upon them, and created difficulties in their ability to save money for future ventures in Ghana, or to take advantage of other opportunities in their host country.

Interestingly, though the respondents belonged to low, middle, and high-income families within Ghana, their prior income level did not influence the type of job they were able to obtain in The Netherlands. Nor did the education level of the respondents did not influence their ability to

secure financial capital. None of the respondents were highly educated before migrating, so it is impossible to determine how a prior university education would have impacted their ability to secure higher skilled and higher paying employment. There are significant differences between a basic and a secondary education in Ghana, yet these differences were insignificant in The Netherlands. Respondents with varying levels of education had the same access to opportunities. Rather than income level or education, the prior skills the respondents had obtained in Ghana correlated with their ability to find employment in The Netherlands. The two respondents who were master mechanics in Ghana were able to use these skills to secure work in garages, and the one respondent who had a tailoring shop in Ghana secured employment sewing in a factory. However, this employment is considered low skilled, and therefore low paying in The Netherlands, and acquiring this employment alone did not provide enough financial capital so the respondents had to supplement it with other activities.

Nonetheless, even the respondents who worked low-skilled and low-paying jobs were able to acquire significant levels of financial capital abroad. Those respondents who went through the IntEnt development program had access to Ghanaian and Dutch bank loans, which provided them with a high level of financial capital. IntEnt's role as a guarantor was critical in their ability to access these loans, since it is very difficult for individuals with low-income levels to acquire bank loans in The Netherlands, and Ghanaian banks are hesitant to loan money for small-scale businesses in the country. Respondents who did not secure bank loans instead relied on other strategies, such as starting a small business venture in The Netherlands that enabled them to support their families back home in Ghana while also saving money, and which provided them with skills and experiences they valued highly. They created these businesses on their own, by spending very little money and investing their savings into small businesses, and with assistance from Ghanaian migrants living in The Netherlands who lent them the money. Others created small-scale import/export companies sending goods between Ghana and The Netherlands, and then used the profit to create the other ventures they were envisioning. These strategies were not used exclusively. Kwesi's story helps to highlight how respondents used multiple strategies simultaneously in order to acquire the financial capital they needed.

Kwesi went to The Netherlands initially on a tourist visit, and then stayed in the country afterwards in order to save money to start a company. Using someone else's papers, he found employment quickly as a worker in a meat factory. Two years after arriving in Holland, he had saved enough money from this illegal employment to begin an import/export business, using

4,500 euro to buy and transport used televisions, refrigerators, video players, and audio accessories to a business partner in Ghana. In addition to the money he saved, Kwesi borrowed money from Ghanaian friends in The Netherlands to pay the high import taxes on the first shipment of goods. When asked if he could have borrowed the money from others in Ghana, he talked of the jealousy some who have remained feel towards those who have been abroad, saying people living in Ghana who had the resources would not have lent him the money. Eventually, he 'lost' his passport and obtained a business permit from the Dutch government, then used the profit from this import/export business to expand into other business activities. For Kwesi, low-skilled employment on the black market, combined with small loans from friends, provided the level of investment capital he needed to start the import/export business of used goods, which became a launching pad for his other companies (Table 2.1, pg. 29).

Like Kwesi, all of the respondents eventually secured the financial capital they needed to realize their goals of establishing businesses in their home country.⁴ Due to the access to opportunities presented, and the respondents' ability to take advantage of opportunities, the level of financial capital each respondent was able to acquire varied significantly, impacting the types of businesses they were able to create. While some respondents migrated abroad with a clear idea of the business they wanted to establish, others' decisions concerning the businesses they formed were largely dependent on the financial resources they were able to accrue during the migration process. For instance, out of the nine respondents, those who were unable to obtain high paying jobs, did not have access to bank loans, and were only able to accrue relatively low levels of savings could not save enough start up capital or acquire the necessary loans to form their own business within the Dutch economy. Though some, like Kwesi, were able to create import/export businesses with their low level of savings, these individuals may have wanted to create some form of manufacturing business in Ghana, but were essentially denied that opportunity because they could not save the amount of financial capital they needed. Instead, they formed other businesses that required lower levels of start up capital, and then tried to move on to other business activities. Others who had access to higher levels of financial capital, on the other hand, created enterprises in Ghana geared towards services and manufacturing.

⁴ It should be noted that not all of the financial capital for the respondents' business initiatives were acquired abroad, as two of the respondents received sizeable loans from family members within Ghana. In both cases, the respondents' family members had been abroad and acquired the capital assets needed to start businesses within Ghana, and had then loaned the respondents money from their profits.

2.2.1.2. Physical Capital

There is another important element to Kwesi's story. Being able to acquire physical capital abroad was central to his ability to take advantage of import/export as a business creation strategy. Like Kwesi, many of the research respondents went abroad to acquire financial capital,



and then used this money to purchase the physical capital manufactured abroad that was central to the type of business they were operating. Some

respondents needed to obtain foreign merchandise to sell in

import/export ventures, such as new and used goods that were either unavailable or extremely expensive within the Ghanaian economy.

Others needed physical capital in the form of large-scale electrical or manufacturing equipment used to run their businesses, or technical



machinery used to produce the product they were selling. This machinery, in particular, is very expensive, and the money to purchase it is often obtained with great difficulty.

For Akoshi, the attainment of physical capital was critical for operating his business.

Akoshi's story illustrates the way that a lack of access to opportunities can hinder the ability to obtain the financial and, hence, the physical capital assets needed and, ultimately, can cause great frustration and hardship that impact upon personal well-being. Akoshi migrated abroad with the sole intention of purchasing the large-scale machinery he needed to expand the garage he was operating previously in Ghana. His goals for migrating were very clear. He wanted to save money to purchase equipment and hire skilled workers, and then return to Ghana to run a larger, more competitive business that would enable him to be successful both financially and socially.

Akoshi assumed his migration process would be very short, and that he would get rich within one year and return quickly. However, after spending twelve years in Holland, working multiple low paying jobs simultaneously with the sole intention of saving money, he was still unable to acquire the money he needed to create the garage he was envisioning. He talked of experiencing discrimination in the workplace, and an inability to advance or gain job security within companies. Frustrated and lacking the income to take advantage of other strategies, such as starting an import/export business or a small-scale company, Akoshi approached the IntEnt development program for help with securing a bank loan in order to buy the equipment. Two years ago he purchased the equipment, then returned to Ghana to establish the garage again, this

time on a much larger scale with more workers and more machinery. While he was finally successful in realizing his goal for migrating, he is now deeply in debt, and faces great difficulties in making his garage successful enough financially to cover his monthly loan payments. He lives largely isolated, as he brought his wife and children over to The Netherlands to be with him since the migration process took so long, but now needs them to remain there to send him remittance money. He can also no longer provide assistance to others, as he does not have excess profits to provide this support financially.

As Akoshi's example highlights, the ability to acquire physical capital assets is tied directly to an individual's ability to gain the financial capital they need. The amount of financial capital it takes to purchase such large-scale, expensive machinery is extremely difficult to obtain with low paying, insecure employment. Akoshi was eventually successful in securing a loan to purchase the equipment, but the difficulties involved in repaying the loan while earning a currency with a much lower exchange rate⁵ are enormous. However, if one imagines the differences in the currency rate between the Ghanaian Cedi the respondents would earn if they stayed in Ghana and the Euro dollars they need to purchase the foreign machinery, it becomes clear why individuals such as Akoshi, who expressed that he had little desire to move abroad, do so in order to make money. Without this money obtained abroad, migrant entrepreneurs such as Akoshi would likely encounter even greater difficulty in obtaining the machinery. Still, Akoshi's experience raises the questions, at what cost do migrant entrepreneurs achieve their dreams, and if they realized the difficulties they might encounter in the migration process, would they still choose to pursue this strategy?

2.2.1.3. Human Capital

Human capital also proved to be a capital asset that was central to business formation for respondents in the study. Like Akoshi and Kwesi, all of the research respondents were what is considered to be 'low skilled', meaning that none possessed university education, instead obtaining only secondary or basic education, and none possessed computer skills prior to migrating (Appendix 1, Table 1, pg. 122).⁶ Some of the respondents were able to gain

⁵ As of February 11, 2005 the conversion rate is one Euro dollar per 11,650 Cedis.

⁶ What constitutes a high level of skill in Ghana is different than in The Netherlands. All of the respondents who participated in my study are considered low skilled within the academic literature and from the stance of public policy, though I would argue that Akoshi and Samuel, who are both master mechanics, are not low skilled, given that they have attained the highest level of schooling for their profession that an individual can receive.

significant levels of human capital while abroad, and the acquisition of this capital was critical, as it gave them the capability to take advantage of other opportunities (Table 2.1, pg. 29). Respondents acquired human capital while abroad through skills they gained in the workplace, such as managerial skills gained from holding supervisory positions, and computer and equipment training. They also took business studies courses while abroad, and gained direct experience that enhanced their business and managerial skills while running their own companies in The Netherlands. Human capital formation was also acquired through their contact with development organizations such as IntEnt. They provided the respondents with entrepreneurial training, and helped them to carry out market research in Ghana and develop concrete business plans for their companies. Finally, life experience was also obtained that was valued highly, and which, in some instances, was relevant to increasing their business's productivity. For example, Kwesi spoke of how his experience living transnationally allowed him to gain a deeper level of cross-cultural understanding about how people in different countries think and act which enabled him to conduct his business more effectively. He also appreciated the awareness in and of itself for the way it contributed to his growth as a human being.

Others were unable to gain significant human capital abroad, instead remaining at the skill and education level they had obtained prior to migrating. For some, such as Akoshi, they already possessed the skills they needed to run their businesses successfully prior to migrating. Akoshi went abroad to gain financial and physical capital to purchase equipment for his garage, and human capital was not necessary to realize this goal. For others, such as Osei, who was running import/export businesses and was involved in agricultural activities, their inability to gain human capital abroad may have influenced the form of business they were able to create, but the business they formed within Ghana did not require additional human capital gain, nor were they pursuing it as a personal goal they hoped to achieve.

An interesting finding was that the respondents' ability to acquire additional human capital abroad did not correlate to factors existing prior to migrating, such as their income level or skill level. With the exception of Samuel, who specified being able to increase his mechanics skills abroad by learning how to operate new machinery in the garage where he was working, the other respondents' human capital gain correlated with opportunities abroad, instead of factors existing prior to the migration process. Kwame's story, in particular, helps to illustrate how access to opportunities can be critical to the ability to increase human capital assets while abroad, and how

acquiring this human capital can be instrumental in an individual's ability to form and successfully operate their business enterprises.

After obtaining a basic education in Ghana, Kwame was forced to discontinue his schooling because his family lacked the money to pay for school fees. He worked a series of irregular, low-skilled jobs within the informal economy, punctuated by periods of unemployment, and then



gained work within the Rawlings government that brought trouble upon him politically. Kwame fled to a nearby country, where Amnesty International assisted him to migrate to The Netherlands as a political refugee. Very soon after arriving in The Netherlands, he fell in love with and married a Dutch woman. This initial social contact was critical, as his brother-in-law assisted him in securing a good job in a rubber producing company. Kwame was promoted repeatedly, over the years increasing his skills considerably by attending paid computer and

managerial courses and gaining considerable on the job training. Eventually, he held a relatively high level managerial position within the company. Desiring to return to Ghana to form a business, he approached the IntEnt development program, which helped him to conduct market research in Ghana, and then provided capacity building training and assisted him with creating a business plan for his future embroidery company. The basic computer skills he possessed from his employment gave him the base he needed to learn how to operate the sophisticated computerized embroidery machinery. Using his own personal savings, a loan from a Dutch friend, and a bank loan secured by IntEnt, Kwame purchased and shipped the embroidery equipment, moved back to Ghana without his wife and family, and began to operate his business by teaching his workers how to use the machinery. He counts the increased computer and managerial skills he gained abroad as highly influential in his ability to operate his company.

It is interesting to note that Kwame, possessing one of the lowest education levels out of all the respondents, eventually became the most highly skilled, and was able to draw upon this increased human capital very productively. Though it is impossible to determine conclusively, it is highly unlikely that Kwame would have been able to obtain this education and job experience while living in Ghana, where he was denied an education, and had great difficulty in obtaining even basic, low skilled employment opportunities. He migrated initially as a refugee, yet his goals once abroad were the same as the other respondents. Kwame had a very large family he

needed to support financially. He also wanted to create a personal livelihood that would provide the financial resources to enable him to return to live in his home country.

2.2.1.4. Social Capital

Finally, gaining social capital assets proved to be critical in the respondents' ability to obtain the other capital assets they needed. While living abroad, the respondents drew upon their relationships with other migrants and members of the host society, as well as with banks and development organizations, in order to secure capital assets, and to gain access to and take advantage of opportunities. Members of the migrant entrepreneurs' social networks abroad provided employment, citizenship, business partnerships, and loans, without which the respondents would have been unable to undertake many of their activities. Friends, family, and marriage partners, in particular, were often drawn upon in order to secure employment in The Netherlands. This assistance was important for the majority of the respondents, since they entered the country on tourist visas and needed assistance through personal contacts in order to find work illegally. Having a Dutch wife also proved to be an important social capital asset they drew upon, as acquiring citizenship through marriage allowed them to work legally in The Netherlands and to experience personal security. For those running import/export ventures, another component to this citizenship was their ability to go back and forth between Ghana and The Netherlands legally. This sustained transnational movement would have been impossible without citizenship or a business license, which some of the entrepreneurs possessed as well. Social capital assets also proved to be important in linking individuals with financial capital through personal loans from Ghanaian and Dutch individuals who made up members of their social networks, and through contact with the IntEnt development organization. Finally, the business partnerships migrants formed with people in The Netherlands played a key role in enabling them to operate their businesses successfully. This was particularly important for respondents running import/export businesses, since they often had one or more primary contacts that remained in The Netherlands and helped them to gather and export merchandise.

As can be seen in each of their stories, Kwesi, Akoshi, and Kwame obtain the financial, physical, and human capital assets they needed by relying on friends and family, financial institutions, and development agencies. Social capital assets were drawn upon and utilized similarly by all of the respondents to secure the capital assets they needed. The social capital the respondents acquired by forming relationships with others while abroad was a resource they would not have had

access to had they not chosen migration as a livelihood strategy. As with all of the capital assets, however, it is impossible to conclude whether the assets the respondents needed would or would not have been attained had they remained in Ghana and formed their businesses by using another strategy.

In conclusion, all of the respondents were able to secure significant levels of capital assets abroad, and to turn these assets into resources they drew upon productively in order to form and operate their business enterprises within their home countries. However, the importance of the differentiation in access to opportunities between respondents cannot be understated. Their ability to obtain the financial, physical, human, and social capital they needed depended, in part, upon the opportunities presented to them during the migration process and, in part, upon their ability to take advantage of these opportunities. Whether the respondents were presented with opportunities in their work environments to advance in their skill development and obtain higher wages, or whether they encountered discrimination or other frustrations that obstructed their professional growth and wages had a significant affect on the respondents' ability to acquire the capital assets they needed. Moreover, the access to, and denial of, opportunities influenced the strategies individuals could utilize. Individuals who were unable to obtain higher paying employment, and did not have friends and family who could lend them money, were unable to pursue strategies others with greater levels of financial capital were using successfully, such as running an import/export business as an initial stepping stone to another business venture, or running a business in The Netherlands and then using the profit from this business to form a company in Ghana. Conversely, those who had access to loan opportunities through outside development agencies like IntEnt were able to pursue other activities, such as purchasing large-scale physical capital to form a manufacturing company, that the other respondents were largely unable to do.

One must use caution in viewing their success as uniform, and their ability to obtain these capital assets as equating with an ability to form and operate their businesses successfully. There were significant differences in the amount of time it took for each respondent to obtain these assets, and in the capital assets they were, and were not, able to obtain. Some were able to create the business ventures they were envisioning with relatively little personal hardship incurred during the time it took them to obtain the assets they needed. For others, many years of their life were given to the pursuit of these capital assets, and experiences they had during this time were frustrating and demoralizing. Furthermore, the strategies the entrepreneurs used allowed them to

obtain these capital assets, but they were not necessarily strategies that were beneficial to the individual in the long term. The ability to secure a large bank loan when one is unable to obtain the financial capital they need using other strategies may mean that an individual is able to form the business they were envisioning, but this loan differs significantly from financial capital acquired through savings from employment. It must be repaid, and the repayment process may present many difficulties in enabling the business to succeed. Similarly, being able to invest in an import/export business might enable the respondents to bring in significant financial capital, but some respondents expressed losing everything on these ventures, and having to begin the capital accumulation process all over again.

Another important conclusion can be drawn regarding the developmental potential of each capital asset. Each asset contributed significantly to the respondents' ability to form businesses in their country of origin, and which capital asset was most important to obtain depended on the asset needed. Rather than judging one capital asset as the most productive developmentally, and, therefore, the most important to obtain to enhance chances for success, each capital asset must be appreciated for the way in which it contributes to an individual's livelihood strategy. For example, it was found that half of the respondents did not, in fact, further their education or gain increased job skills while abroad. Instead, they worked at jobs that were at the same skill level, or below, the ones they had held previously. Rather than seeing this as proof that the migration process was not developmental, or was less developmental, for these individuals because their human capital did not increase, whether the capital assets was important to the respondent must be used as the criteria for its ability to contribute developmentally.

Finally, it is interesting to note that the respondents' abilities to obtain capital assets during the migration process were not dependent on factors existing prior to migration, such as the education level of the respondent, or the income level of their family. None would be considered high skilled, or coming from wealthy families, though there was differentiation in their income and educational levels, leading to different opportunities before migrating, and varying levels of intensity regarding the pressure placed on the respondent to support their family financially. This differentiation in family income impacted the respondents' ability to retain financial capital assets abroad, with respondents who came from lower-income families appearing to send home higher levels of remittance money. However, out of the respondents who participated in my study, those who came from the lowest income families were as, and in some cases more,

successful in their ability to obtain the capital assets they needed. Most important was which opportunities presented themselves abroad, and how they took advantage of those opportunities.

2.2.2. Impact Upon Personal Satisfaction

In order to determine the developmental impact of creating businesses in their home country, one must go beyond exploring the respondents' ability to accrue the capital assets they needed. It is also important to consider developmental impact more holistically by taking into account the psychological impact of experiences the respondents had while obtaining their capital assets and operating their businesses. Authors such as Sen have brought attention to the need to consider the way feelings of success and self-satisfaction, or the loss of human dignity, also affect a persons' overall level of well-being (1981). Although my research study did not focus on this aspect of development specifically, throughout the study the respondents each spoke of such intangibles as feelings of cultural ease, personal pleasure in giving, social isolation, familial pressure, and discrimination. It became apparent that these experiences were integral to their personal development process, and that they had a direct impact upon the satisfaction the respondents experienced with the lives they were living. During interviews, the respondents discussed a host of experiences they had during the migration process and upon establishing their businesses, some of which had given them great personal satisfaction, and others which were more negative in nature and appeared to have impacted them detrimentally. The range of experiences the interviewees spoke about underscores the necessity of looking not only at people's ability to achieve their goals, but also their experiences during the process, and the impact these positive and negative experiences have had upon them personally.

2.2.2.1. Freedom From Discrimination

Throughout the study it became clear that some experiences, such as discrimination, had a significant impact upon the migrant entrepreneurs, as they were discussed by all nine of the respondents, and discussed regularly. Over the course of the study, each respondent made the same statement to me repeatedly: "In Ghana, you can feel free". It took some time to fully deduce what they meant by this statement, and how important it was to them personally. While much more difficult to quantify, feelings such as cultural ease, comfort within your own society, and being treated without discrimination had profound impacts on the respondents' well-being. In some ways, this statement is a testimony to Ghana, where life is not regulated to the same

extent that it is within The Netherlands, and where one can live, freely, without constant rules and regulations from the government or other agencies. It is also a testimony to their lives in The Netherlands, and how ‘unfree’ many had felt while living within this foreign society where they were treated differently, sometimes even negatively. All of the respondents talked about the increased level of public hostility they experienced in The Netherlands as a result of the social and political changes occurring in the country. Respondents expressed facing discrimination in their employment and socially, and spoke of the disturbance they felt at their inability to advance within their employment, and to feel at ease within Dutch society. As Akoshi’s case exemplified, discrimination hindered the respondents’ ability to obtain capital assets, and to realize their goals for migrating. The negative psychological impact of an experience like discrimination is impossible to quantify, but should not be underestimated. For some it was a primarily frustrating experience, appearing to have an overwhelmingly negative impact on their ability to realize their goals and live their life peacefully. For others, it made them push against the hardship, and work harder to realize their dreams. Abdul’s story helps to illustrate the complexity of the way experiences such as discrimination can affect individuals developmentally.

During our interviews, Abdul spoke of how he was welcomed when he first arrived in The Netherlands, but he now no longer feels comfortable there. He had lived in The Netherlands for 24 years, owned a business in the country, and had children who spoke Dutch fluently. Still, The Netherlands no longer felt like home because of how he was treated. He was nonjudgmental, stating that the Dutch feel threatened because they are a small country, and he understands them wanting to group together to keep what they have internally. Interestingly, he stated that there was a positive side to the discrimination. The hardship made him stronger, and pushed him to be determined, to work two jobs in The Netherlands and to spend very little money so he could create this business for himself in Ghana. He talked of unity and self-reliance, saying, “Many people here just think we need other countries like Europe and America to help us...It’s better if we aren’t all going to The Netherlands, if I can create this so my brothers don’t have to go abroad, and we can be self-reliant here in Ghana. The hardship forces you to rely on your roots”. Abdul had been trying to start a small business venture in Ghana for many years. It appears the hostility he faced contributed to the impetus he needed to finally start his business in Ghana, and to move back there permanently. Abdul’s experience helps to explain how respondents can view their experiences quite differently, even seeing positive effects, such as self-affirmation, determination, and strength generated through unity, within an experience that has the potential to impact one’s life so negatively. It also shows how experiences such as discrimination serve as

an impetus for creating other strategies that enable migrants to return to their home countries where they think they will feel at ease socially and culturally. Other respondents talked as well of starting their businesses in Ghana partly due to the discrimination they were facing.

2.2.2.2. Self-Satisfaction Through Providing Assistance

Many respondents were clear that they helped their family not because it was a burden, but because it gave them pleasure. Abdul said it clearly, stating, “In Africa, we like to give money. If your parents have need we give, even if they don’t have need, we still give.” Mohamed supported this statement when claiming, “In Africa, we like economic feelings.” He talked at great length about how people send money not only because of the pressure placed upon them to do so, or even because of their families’ needs, but because providing this money means you care about someone; even a small token means you are thinking of their well-being, and not providing that monetary support reflects negatively. Other respondents noted as well the difference in culture, and the reasons money is provided which are much more emotional than financial in nature. Their ability to provide for their family, as well as their friends and other individuals with need appeared to give many of the respondents a high level of satisfaction, and they talked less about the pressure placed upon them than about their desire to help others because of the satisfaction it brings. For many of the respondents, this support was provided and received reciprocally. They provided financial support to their families, and their families provided them, in turn, with love, advise on the political and economic environment back in the country, business advise, direct assistance with running the businesses, and even financial support, in times of difficulty. When speaking of specific experiences they valued from living in another country, respondents discussed the pleasure and personal satisfaction they obtained with being able to provide money for their family back home, and with being able to realize their personal goals for migrating.

However, this same support provided to family back home also placed a high level of stress due to financial pressure on some of the respondents, as they worked long hours with low pay, and had difficulty providing for their own living expenses while trying to save money and send it to their family. As noted, most of the respondents were working multiple low skilled, low paying jobs simultaneously, and they expressed spending very little on personal consumption while abroad in order to save the maximum amount of money. Some of the respondents spoke specifically of the stress placed upon them in negotiating between covering living expenses in

The Netherlands and supporting their family members financially. This pressure and frustration led some respondents to pursue business creation in Ghana as a way to offer employment in their businesses, or to create viable livelihoods for themselves in their home countries that would enable them to support their families with the profit, or using other strategies.

2.2.2.3. Ability to Achieve Personal Goals for Creating Business

The respondents each had a variety of personal goals for establishing the business in their home country. These goals included 1) gaining social recognition within society, 2) growing as an entrepreneur and becoming more successful financially, 3) creating a viable livelihood for themselves within Ghana that enabled them to live their lives within the country, 4) supporting their families, and 5) feeling free from discrimination and at ease within their own culture and society. These personal goals were not held individually; rather, the respondents often had more than one reason for establishing their businesses, and when their goals were in conflict they created strategies to negotiate between them. The strategies they employed to do so will be discussed in more detail in Chapter 3. What is important to recognize here is that respondents defined the realization of their goals, and, hence, their success, differently, depending on what they were hoping to achieve by utilizing business creation as a livelihood strategy.

Which goals they held personally depended on a combination of factors with each respondent. Individuals who came from higher income families did not have the same level of responsibility to support their families financially as lower income respondents, and the financial success of the business and, hence, the higher status generated, were primary. Their idea of success appeared to be expanding their business enterprises into one that is recognized as successful by members of their social network. Individuals who were trying to expand their businesses and were unable to do so expressed feelings of frustration, and a strong desire for change in the lives they were living. Others who came from much lower income families, on the other hand, might have used the same business enterprises to generate the same amount of profits financially, but saw themselves as more successful and were more satisfied with the lives they were living because they were able to realize their own primary goals, which were supporting their family financially, and even gaining social recognition within a different segment of society. Contrasting the experiences of Kofi and Osei is helpful to understand this distinction, and to understand how individuals can use the same livelihood strategies – in their cases, forming import/export businesses of used electrical goods - but these strategies can have significantly different impacts

on their ability to realize their personal goals, and, therefore, to obtain satisfaction with the lives they are living.

Before he started the import/export business, Kofi had owned a business selling children's clothing in Ghana that had been passed down through his family. He changed the family business into an import/export enterprise because he felt this had the potential to generate more money. At the time of the research study, the import/export business was not fulfilling Kofi's goals. He did not consider it to be successful, instead talking primarily about the frustration and the difficulties, and expressing dissatisfaction with the life he was living. Sadly, the business felt to him like it was caught in a never-ending cycle, supporting itself but never growing enough to enable him to pursue his other ambitions, which were moving into manufacturing, and staying in Ghana permanently. He had already purchased welding equipment from The Netherlands and had plans to undergo training, but he said the import/export business is not generating enough money to make this a reality. He said, "It is not growing. It's addictive. Each time you go abroad you think next time, next time, but there is never enough money." For Kofi, living in a state of continuous migration was not ideal. Given the choice, he would have preferred to stay in Ghana, running a business that supported him and his family without requiring the constant movement and financial insecurity the import/export business entailed.

It is interesting that Osei, who runs an import/export business as well and faces many of the same problems Kofi spoke of, such as taxes and competition, talked of his businesses as a success, and appeared very content with the life he was living. There are differences, notably that Osei had more businesses and a greater variety of ventures, and that he migrated less frequently and spent less time in The Netherlands. However, the most important difference rested in their personal goals for establishing the business, and the social recognition they received, which stemmed from the income levels of their families. When I asked him why he started the business back in Ghana, Osei explained that he was sending home a lot of remittance money to his family, which "was gone in one week". Osei decided it would be more beneficial to create a business in Ghana and support his family through employment. Though Kofi, too, employed his brother, and he had been able to put his two daughters through university, he did not mention this as a success from the business. It is possible this was because his family was higher income, and his uncles and cousins all went to university. His family also had a number of businesses between them, so there were simply more opportunities. Osei, in contrast, talked regularly about the other individuals he was supporting, and the opportunities he was creating for the whole family. Even

if their businesses brought in the same yearly income, Osei was successful in that he came from a much lower-income family that depended on him heavily; therefore he had succeeded in his goals by supplying this support socially and gaining recognition within the family. Kofi's family, on the other hand, was higher income and did not need his business to support them financially, and he viewed his business as a failure because it did not generate the financial resources, or, it seems, the social recognition he needed. Whether or not the creation of businesses in their country of origin had a developmental impact on each respondent was dependent, in part, on the differing definitions of success respondents held, and the businesses' ability to be 'successful' and provide the respondents with personal satisfaction in pursuing this business creation strategy.

Osei and Kofi's stories also point to another important aspect of personal satisfaction gained from using the establishment of businesses in their country of origin as a livelihood strategy. The role of a businessman within the community is a high status position within Ghana, and all of the respondents gained a certain level of prestige by returning in this capacity. They returned as successful 'big men' in Ghana, with all the accompanying status and responsibility that accompanies this newfound identity. As Osei and Kofi's story illustrate, this is more strongly dependent on their family's incomes than on the actual financial viability of the business. For some respondents, such as Osei, their ability to provide this support gave them great satisfaction. Those who came from lower and middle-income families were now respected individuals who others approached in times of need. Their ability to provide this support enhanced their status and, therefore, their feelings of personal success and satisfaction with the life they were living.

2.2.2.4. Strained Family Relationships

The new relationships and changed familial dynamics that formed around these businesses also placed hardship upon the respondents, and led to situations which were highly detrimental developmentally. The pressure to support their families that some of the respondents experienced abroad remained after they had returned to Ghana to establish their business enterprises. This pressure was even heightened because family members could approach them more easily with requests for assistance, and those who may not have lodged requests for support while the respondents were abroad did so now because they were returning as a successful member of the family, and, therefore, one who shouldered more responsibility. Their inability, or lack of desire, to provide this support sometimes led to a strained relationship between the respondents and

members of their families, creating tension and frustration that eventually isolated the respondent socially. These strained family relationships placed great hardship on the respondents, and deeply affected their personal satisfaction. The tense relationships that formed between some of the respondents and their families resulted from a host of factors, including the real needs of the family, the changed relationship formed now that the individual had returned as a 'successful migrant' with increased social responsibility, and the disparity of views of life abroad between the respondent and their family members. Other factors, such as feeling of jealousy and relative deprivation, also seemed to have an impact upon strained family relationships, and to have a negative impact on the migrant entrepreneurs' satisfaction with the life they were living.

2.3. Multiplier Effects of Developmental Impact

In order to assess the developmental impact this strategy had upon members of the respondents' social networks, we must evaluate how these activities have had multiplier effects developmentally by enabling the respondents to provide poverty alleviation, security against risk, and enhanced opportunities for their workers, friends, and family. Multiplier effects refer to way in which the benefit from one specific activity can multiply, and, essentially, be developmental for many others who are connected to that individual through their social network. For example, if an individual goes abroad and accrues the capital assets needed to start a business, then employs workers through his business, and those workers he employs provide health care and education for their children, then the multiplier effect means that the original action of migrating abroad has not only impacted the migrant entrepreneur, but has also provided employment to their workers, and health care and education to their workers' family.

This section will first explore the respondents' ability contribute to the attainment of basic needs and enhanced human capabilities, such as by providing money for education, health care, food, and shelter, and by offering employment which provides increased job skills and on the job training. It will then assess the respondents' abilities to use migration and business creation to provide members of their social network with insurance against shocks and critical financial support in times of difficulty. Finally, the way migrants' business enterprises contribute to socio-economic development will be discussed in relation to their ability to provide a broader resource base for the entire family, providing those within the present and future generations

with access to opportunities, choices and enhanced capacity to realize their own personal goals for the life they are living.

2.3.1. Provision of Support for Basic Needs

In order to assess the financial support respondents provided to cover the basic needs of their friends and family, each respondent was asked to detail how many people they had supported within the past month with money for health care, education, and housing (Table 2.2., pg. 48).⁷ Within each category, respondents were also asked to provide details on whom they had provided this support to and, more specifically, which support was provided, such as the level of education they had paid for, primary, secondary, or university, and the kind of health care they had covered, medication or hospital fees. The respondents were then asked, more generally, if the amount of support they contributed since establishing the business/s had increased or decreased since the amount they provided while living abroad. This method of gathering data was undertaken because it was difficult to grasp the level of financial support individuals were providing. During more general interviews some stated they assisted, “Everybody!” while others were so frustrated by the constant demands for money that they avoided discussing it, and were not giving a true portrayal of the level of support they were providing. For example, during an interview a brother of one of my respondents, Samuel, had traveled four hours to approach him requesting money to pay for hospital fees for his sick child. Before this incident, Samuel was the least willing out of the nine respondents to discuss the money he provided to his family, and I was having a very difficult time assessing if he was, or was not, contributing financial resources to their basic needs. During our exercise I came to find that he was, indeed, supporting his family with considerable amounts of money. This exercise was used with each respondent and was particularly useful in gathering information concerning which people they provided financial support to and how active they were in providing this support presently. It was also helpful in understanding changes that had occurred in the respondents’ ability to provide financial support while living abroad, and their ability to do so now with the establishment of the businesses in their home country.

⁷ This one-month time frame was chosen as a practicality because not all of the respondents could remember the support they had provided over the past year, making the data incomplete for comparison purposes if total monthly giving is provided for one respondent and total yearly for another. However, it is important to note that it does not give a full picture of support provided. Respondents such as Jerry, for instance, mentioned supporting six people with their educational expenses over the past year, but paid no school fees in the past month, and therefore do not appear within the table to be providing financial support socially.

Table 2.2: Financial Support Provided for Basic Needs to Members of Social Network Within One Month Prior to Interview

Name	Primary Ed.	Secondary Ed.	University Ed.	Medication	Hospital Fees	Housing
Kofi	2 Nephews	1 Nephew				
Jerry					Relative	
Akoshi						
Kwame				Aunt		
Kwesi	Friend's family	3 Nephews	Brother Sister's Friend	Mother, Father Worker		
Samuel		3 Relatives		Worker, Friend Stranger, Relative Father	Nephew	
Osei*						
Mohamed		Son		Mother		Mother
Abdul	3 Cousins 2 Sons	2 Cousins		Relative, Neighbor		Brother

Source: Interviews conducted July - October 2004

Notes: * No data is available on Osei, as he did not participate in this exercise. He returned to The Netherlands to conduct business for his import/export company before the decision was made to employ this method of data gathering.

It was interesting to note that instead of the provision of financial support and feelings of social responsibility being limited to members of their extended family, as I had originally anticipated, their social networks were much broader than I had understood them to be. The respondents were providing for the basic needs of individuals other than members of their immediate and extended family. Respondents also provided money to their close friends, their friends' families, workers, neighbors, and friends of family members. They also spoke of supporting strangers who approached them because they appeared to be financially successful as their business was prominent, and the individual was in desperate need of assistance for themselves or their family. The level of assistance provided to these individuals varied, with family members provided full support, such as full coverage of yearly school fees, while others were more likely to be provided smaller amounts of money during times of difficulty. Recognizing that this support is provided widely in times of need is an important finding for understanding the multiplier effects of creating a business as a livelihood strategy. It is also important to note that respondents who

came from better off families, such as Kwesi, were providing significant levels of support to poorer individuals in the country.

It is also interesting to note that some of the respondents were currently providing very little financial assistance to others. At first this seemed to indicate that these respondents were acting individualistically instead of socially, and were placing their own need to reinvest the profit in their business enterprises over the needs of their friends and family. However, during the course of the research study I realized that focusing only on the provision of financial resources for basic needs is limited in its ability to provide an accurate representation of the contributions these individuals were making developmentally. Some of the respondents were actively using other strategies to make sure these basic needs were cared for, such as providing employment to friends and family members, funding migratory activities so individuals would no longer be dependents and could assist with supporting the family, and providing financial resources to fund business activities. During the interviews, I also questioned the respondents regarding their assistance in funding migratory activities and small-scale business ventures within Ghana in order to capture this information more accurately (Table 2.3, pg. 53).

Even when taking into account the use of these other strategies, it appears that in many cases the migrant entrepreneurs' ability to support others had decreased considerably now that they were obtaining their financial capital in Ghana, earning Cedis instead of Euros, and were no longer able to provide the same amount as they had when earning foreign currency. Even respondents who worked low-waged jobs in The Netherlands were still able to send back significant amounts of remittance money to their friends and family. The respondents indicated that they used to send this money primarily to pay for people's education, health care, and other daily expenses, which they term 'chop money', as well as to fund family members' migration and small businesses they established. Since the respondents had established their businesses in Ghana, some made specific choices to continue funding certain activities, such as providing money for medication and hospital fees, but to no longer provide the same level of support for education, for instance, or business and migratory activities. It is possible that this decrease in financial support was temporary, and had resulted, in part, because most of the respondents had only been operating their businesses for the past few years and were still working to make them stable financially. However, other factors were also found to influence the success of the business enterprises and, hence, the respondents' ability to contribute financial support that assisted others developmentally. These influences will be explored in greater detail in the proceeding chapters.

If they are unable to make their businesses highly successful financially, it remains to be seen if establishing a business in Ghana will allow these respondents to provide the same level of support as they had provided previously.

2.3.2. Enhanced Human Capabilities

By offering employment in their business ventures the respondents did more than provide financial capital and assist with the indirect provision of resources for basic human needs – they provided these resources in a manner that enhanced their workers’ human capabilities and, ultimately, enhanced the human resource base within the country. The number of employees each respondent hired ranged from four to five individuals for smaller scale companies to over twenty people employed for a single respondent who was running multiple businesses simultaneously (Appendix 1, Table 2, pg. 122). A variety of workers were employed in these companies, such as construction workers, architects, electricians, factory workers, laundrymen, mechanics, woodworkers, secretaries, business managers, salesmen, and farmers. These individuals were able to use



their prior education and training, and gained on the job skills and work experience which enhanced



their capabilities. As noted with Kwame’s company, employees were provided with increased computer training to

run the embroidery machinery, or, as with Akoshi’s garage, the mechanics gained on the job training when learning how to operate the large-scale mechanical machinery. Employees within these businesses also trained others who were previously unskilled, further contributing to the human capital base in the country. For example, Osei runs four import/export businesses that import broken electrical goods from abroad and have them repaired within the country. His lead electrician was trained in The Netherlands, and has since trained Osei’s brothers, who were all formerly uneducated and unskilled professionally. Mohamed talked of the importance of providing these skills, stating, “The (Ghanaian) government is welcoming back doctors, intellectuals, journalists, politicians, teachers, scientists, but they do not recognize the contribution being made by setting up these businesses. We should also be recognized. Employing my workers is a service to the country. I give them what they can use – skills.” Furthermore, given Ghana’s high unemployment rate, the active use of skilled and unskilled

manpower in the respondents' businesses means that these individuals have the opportunity to obtain a stable livelihood within Ghana, which is an important aspect of the development process occurring within the country.

2.3.3. Insurance Against Shocks

Respondents also used the financial resources they accrued by using these livelihood strategies to provide insurance against shocks which they or their family experienced. Within the development literature, shocks are broken into the two categories, idiosyncratic shocks (affecting individuals or households) and covariant shocks (affecting groups of households or communities, regions, or nations) (Baulch and Hoddindott 2000). During times of idiosyncratic shocks, such as when a family member becomes ill or loses their job, the migrants' ability to send money from abroad acted as a critical safety net for the family (Mazzucato 2004a). When family members became ill, for instance, the respondents were able to send home money to pay for medicine and hospital fees, without which this individual may have died or incurred long-term disability from the effects of the disease. Furthermore, when individuals did die within the family, the respondents sent home money for funerals, taking some of the burden off of the rest of the family. Funerals are extremely expensive undertakings within Ghana, and paying for funerals sometimes places poorer families deeply in debt. Respondents used the profits from their businesses to provide security against idiosyncratic shocks in much the same way.

During times of covariant shocks which affect the whole country, such as famines and floods, or severe economic depression, using migration as a strategy appears to have greater potential to provide this security than using the business creation strategy. The respondents' physical placement within the country makes them vulnerable to these shocks because they produce severe downturns in the economy, reducing the respondents' ability to continue accruing the profit needed to provide social security during these times of collective need. Locating outside of the country during these times means the individual is not affected personally by these shocks, and can draw upon the resources they are still able to secure in the stable environment within which they are living. For example, Osei migrated abroad during a severe famine in Ghana, in which many who remained starved in the country. As a farmer in the rural region, he was able to sell enough of his crops to migrate to The Netherlands, and then kept his family alive by sending back money. If the famine happened at this point in time Osei might be able to assist his family for a time being, but if the shock was prolonged, as a famine can be, even with multiple

businesses and agricultural projects Osei might not be able to continue providing for himself and his family. It is possible that the respondents, such as Osie, would need to re-emigrate again and send home remittance money if a covariant shock occurred, or that they might fund the migration of another family member to assist with providing security for the family.

Using both migration and business creation as strategies, the respondents who participated in this study were able to provide what amounts to as safety nets in times of difficulty. The Ghanaian government is unable to provide its citizens with any form of social security during these times, meaning that members of the respondents' social networks may have been placed in extremely vulnerable positions without the support of these respondents. The respondents' ability to draw upon significant financial resources meant that their family members would not be left vulnerable to hunger, sickness, and illiteracy based on their inability to obtain basic human necessities such as food, water, health care, and education. Their support had a multiplier effect, as this social security was provided not only for family members and close friends, but also their workers, workers' families, and other individuals connected indirectly to the respondent. However, difficulties are encountered in using either migration or business creation as a strategy when everyone relies on the same individual, depleting their resource base and, ultimately, undermining their ability to provide this security.

2.3.4. Broader Base of Financial Security

Spreading the level of responsibility placed on the migrant entrepreneur is important in order to make these strategies affective developmentally. If too many members of a social network rely on the same 'successful' individuals, these individuals' financial resources will be depleted (Ocholla-Ayayo 1997). For the respondents, this meant they would be unable to save money while abroad for future ventures, or, once returning, to reinvest profit and continue to make their business successful financially. In order to spread this social responsibility, the respondents actively employed strategies to assist their family members in also becoming successful financially. They supported the migration of their family members, the creation of businesses, and educational activities as ways to make others successful, thereby gaining future support in providing assistance within the family. They also supported close friends in many of these same activities. These strategies created a broader base of financial security, where others could then rely on these individuals as well to provide basic necessities in times of need, to counter the effects of shocks, and to provide resources in order to fund other activities.

Table 2.3: Resources Provided to Members of Social Network in Ghana During Migration Process and After Establishment of Business

Name	Migration	Business Creation	Education
Kofi			
Jerry			
Akoshi	Wife and daughter (full)		
Kwame	4 cousins (full financing), 1 cousin (partial financing)	Brother (provided full financial and physical capital), cousins (provided physical capital)	
Kwesi	Sister (full financing), 3 Friends (partial financing)	4 migrants (loans to run import/export businesses)	Brother (full financing of university education)
Samuel	4 Friends (partial financing)		2 brothers (financed mechanics training)
Osei*			
Mohamed	2 brothers (full financing)		
Abdul	Brother (full financing), 3 cousins (full financing), Friend (partial financing)	Cousin (provided full financial and physical capital for business creation)	

Source: Interviews conducted July - October 2004

Notes: * No data is available on Osei, as he did not participate in this exercise. He returned to The Netherlands to conduct business for his import/export company before the decision was made to employ this method of data gathering.

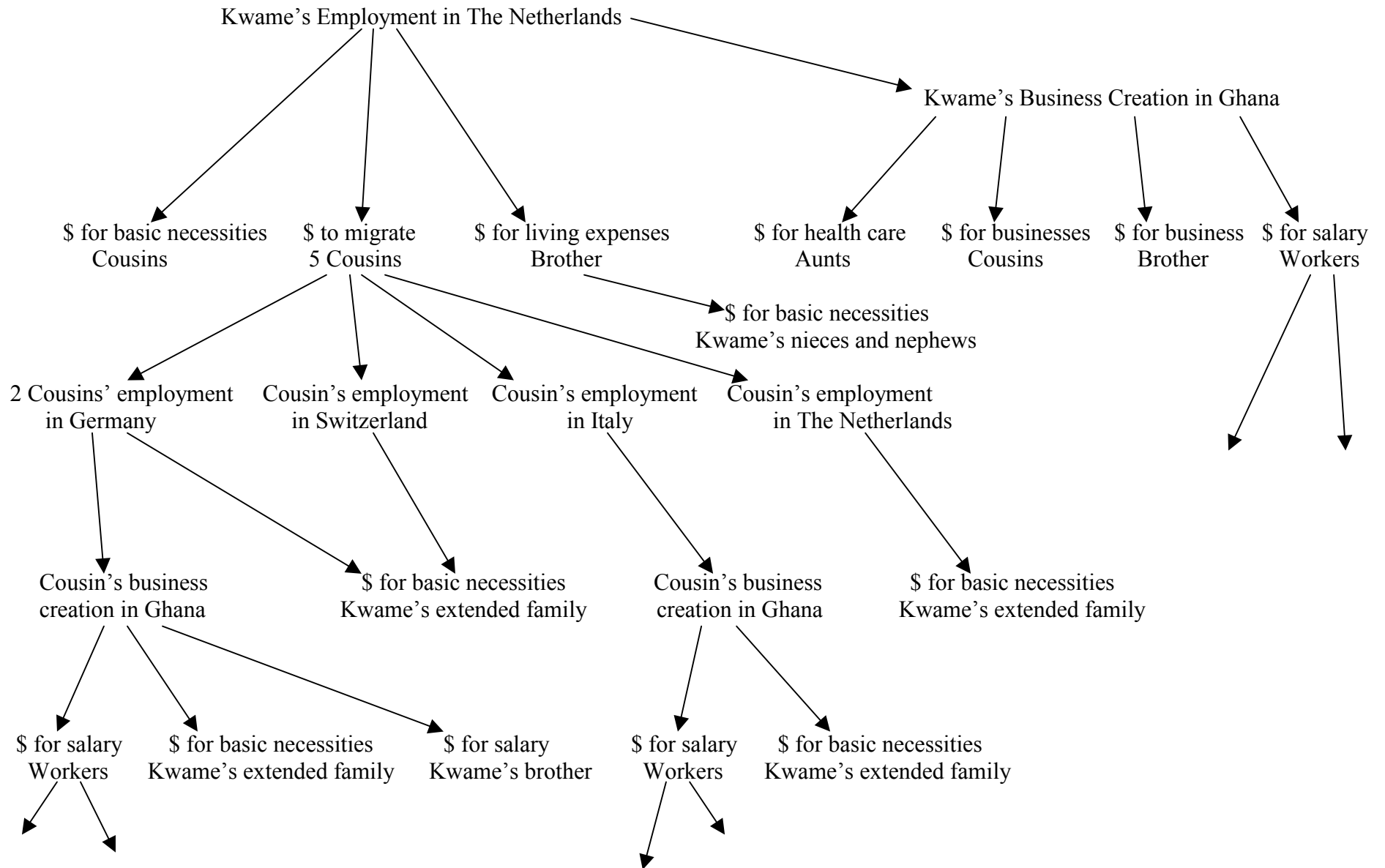
Kwame's story provides a good example of how migrant entrepreneurs use supported migration to create this broader base of financial security. Figure 2.1 (pg. 58) shows the multiplier effect his migration and business creation have had upon members of his social network in Ghana. In order to present the multiplier effect of migratory activities more clearly, the arrows indicate where one activity leads to another. Where arrows are present but they do not lead to specific activities the multiplier effects is assumed, but information was not obtained from the respondent concerning these individuals and the impact of their activities. Where arrows are not present following an activity, the lack of multiplier effect is implied. The absence of the multiplier effect is due to a lack of follow through or failure with that activity. The data presented in Figure 2.1 was gathered during multiple interviews with the respondent, and provides a broad overview of Kwame's story. However, it should be noted that relying on information obtained from Kwame

alone does not accurately portray the full range of assistance provided and activities engaged in by members of his social network, and by those who were impacted by their activities.

Kwame came from a poor family within Ghana, where neither he, nor any members of his family, received more than basic education, or had high paying employment within the Ghanaian economy. The fact that he lived abroad meant he was the only financially successful member of his family, which placed upon him enormous responsibility. Kwame was able to obtain relatively high paying employment in The Netherlands, and was therefore able to send home a high level of remittance money. He strategically released some of the financial pressure he was experiencing by using this remittance money to help other family members to become successful. During his 12 years abroad, Kwame was able to fully finance the migration of five of his cousins, and to assist one other cousin partially. By the time he returned to start his business, his cousins who were supported to migrate were able to provide remittance money, loans, and employment to other members of the family, so he was not relied upon solely. Two of his cousins had returned to start farming businesses in Ghana, and were employing family members, including Kwame's youngest brother. The remaining three was still abroad, sending home remittance money to support the family. He then provided his brother and his female cousins with the physical capital they needed to start businesses so they, too, could support themselves, and he could discontinue the financial support he was providing. However, neither successfully took advantage of these opportunities. The brother failed in his business attempt, and his cousins never attempted to create the businesses.

Kwame's case is difficult to assess the full developmental impact of using these strategies. His provision of assistance to his family meant that there was a broader base of financial support others could really on, and, if they took advantage of the opportunities, this support could begin the cycle of socio-economic development for the whole family. However, for these strategies to have a beneficial impact developmentally, they cannot only be presented, but must be utilized successfully. His cousins abroad sent home remittance money and invested in businesses, thereby providing resources for basic necessities, employment for family members, and security against poverty and its associated vulnerabilities. However, his cousins and brother who remained in Ghana had become dependent first on his support, and possibly afterwards on his cousins' remittance money. The potential for these individuals to support themselves and their

Figure 2.1 Multiplier Effects of Migration and Business Creation on Members of Kwame's Social Network in Ghana



Source: Interviews conducted July-October 2004

immediate families was present, but they did not take advantage of these opportunities. Instead, these strategies may have had a detrimental impact developmentally by leading to dependency. Kwame's story underscores the fact that the developmental impact of migrant entrepreneurs' activities is determined not only by the access to opportunities they provide for members of their social network, but also by whether others successfully utilize these opportunities

Osei's story, on the other hand, shows how creating a business enterprise in his home country and providing his family members with employment was a successful strategy that enabled him to provide access to resources and opportunities that were utilized by his whole family. Osei comes from a poor family in a village located in the rural region of the country. His migration process, and the reason for establishing his business, was intrinsically linked with a desire to support his family. As mentioned, Osei went to The Netherlands as a refugee during the famine, and sent home significant amounts of remittance money to his family. Back in Ghana, Osei first established one import/export business in a low-income neighborhood in Accra, then expanded it to include two others in Accra, and one in his home village. He also created a Teak tree farm in his village, and, at the time of the study, was just embarking on a new venture to become involved in a government sponsored agricultural co-operative growing and selling palm trees. He employed his brothers and extended family members in these ventures, as well as other members of the community. Through this employment, his brothers had gained electrical skills, and his uncle, a farmer, was able to remain in the countryside, as were other farm workers who now had stable employment in the rural region. Osei stated that he did everything because of the poverty, and because he wanted to create a viable future for his family. He was attempting to create long-term investments that would provide enough support and opportunity to allow those who wanted to stay in the rural region to do so, and others to remain in Ghana without migrating. Entering The Netherlands with very little financial resources and drawing upon only the savings he was able to secure from his employment abroad, Osei has been able to provide for his entire family, as well as for others in Accra and in his home community.

Other respondents also employed strategies that create a broader base of financial security, leading to the socio-economic development of their families. Samuel, Kwesi, Mohamed, and Abdul all either provided employment to their families, or contributed to their family members' migration, education, or business activities (Table 2.3, pg. 53). Samuel, for instance, used the strategic funding of his younger brothers' educations in order to discontinue his own financial

support, and to gain assistance in providing for other members of the family. When he was younger, his parents funded his mechanics training, but did not have the resources to provide his two younger brothers with the same. Samuel used his training to work in a garage, eventually earning enough money to start his own garage, and then using those profits to migrate. By the time he had migrated, Samuel was considered middle class within Ghanaian society. While living abroad, he sent home money to finance both of his brothers' mechanics training. By the time Samuel returned to Ghana to form his business, one brother was able to use this training to eventually form his own garage, and to assist with supporting the family, while the other became a mechanic, but continued to rely on Samuel to provide for the basic necessities he and his family needed.

Samuel's story is interesting because it highlights how middle class individuals can also support poorer members of their families. Some academic researchers have criticized migration for not being developmental because they claim that it is the middle class, primarily, who migrate, instead of the 'poorest of the poor' that truly have need (Rubenstein 1992). The logic is that while migrants may help themselves and their families, because their families were middle class the migration process is not supporting those who need this assistance within society. This criticism concerning migration's developmental impact may be overlooking important distinctions between Ghanaian and Western societies.

As Samuel's story highlights, in Ghana individuals within the same family may belong to different class levels due to the way limited resources are distributed within the family, whereas in Western countries resources are distributed more evenly. For instance, a livelihood strategy a Ghanaian family might employ would be to strategically pay for one of their children's education, as was done with Samuel, in the hope that this child would become successful in obtaining good employment opportunities, and would later support the family financially. This individual may be able to gain employment with their education, and then use that money to migrate, while the other siblings would not have access to either opportunity. Because there are only limited financial assets, the rest of the children may only be able to obtain primary, or possibly secondary education, which affects the employment they can, or cannot, secure, and their ability to take advantage of other life opportunities. Hence, within the same family one child could become relatively successful financially and therefore be considered middle or even high income, while their sibling might move up only incrementally, still remaining lower

income, or possibly even continually needing assistance to remain just above poverty. The strategic funding of migration works in much the same way when the majority of the family's resources are placed in allowing one individual to migrate, and that person is then responsible for becoming financially successful and supporting the rest of the family (Adepoju 2000).

In contrast, in Western countries the entire family usually belongs to the same class level because opportunities are spread out relatively equally between members of the family. A Western middle class family who had limited resources might send all of their children to less expensive, less prestigious universities where the education was of lower quality. Culturally, they are more likely to spread the opportunity than to strategically send one child to an expensive school where they would receive an excellent education that would lead to high skilled, high paying employment, and the accompanying social prestige, while the other siblings would only be able to obtain a high school degree, low-skilled employment, and lower status within society.

Another significant difference between Ghanaian and Western families is that Ghanaian families are more likely to be composed of individuals with different income levels because of the much larger nature of the extended families. Because of the social support provided through the kinship network, these much poorer members of the extended family may also benefit from that middle class individual's migration. This can be seen clearly in the following statement provided by Jerry. When asked to identify his family's income level, he replied, "2/3 are doing okay, 1/3 is not". Though members of his immediate family were doing relatively well, throughout the course of the research study, Jerry spoke about the pressure placed upon him to cover the needs of the less fortunate members of his extended family. Whether the middle class individual in Ghana can spread the social responsibility within their family depends on the type of support the individual provides to their family, and on how the resources provided by this individual are used strategically.

This criticism of migration's developmental potential may also be understating developmental impact because the concept of middle class in Ghana differs substantially from what it entails in most Western countries. In Ghana, middle class individuals still have limited resources to draw upon, unlike middle class individuals in Western countries whose resources provide them with access to a number of opportunities. For example, the respondent who stated above that 2/3 of his family was doing okay - with himself included - was selling spare car parts in the informal

economy before migrating. This work brought in enough income for him to meet his basic needs, but it was not the employment he wanted to pursue as his livelihood, nor did it generate enough finances to enable him to pursue the college education that he was envisioning. Obtaining meaningful employment and an education were two things this respondent valued highly. Many middle class Ghanaians also do not have access to the resources they need to support their families sufficiently. A middle class Ghanaian families might not have the means to pay for all of their children's secondary school fees, let alone college education, they might not be able to afford the high costs associated with anything other than basic health care, and it is questionable whether they would be able to provide a sizeable loan to their children to pursue other opportunities, such as start up capital for business creation. They would, however, be able to provide their children with food and housing, to provide them with a basic education, which will provide them with numerical skills and literacy, and they might be able to provide smaller amounts of financial support to enable their children to take advantage of opportunities, such as money to assist with migrating, or money to help with starting a small income earning activity, such as operating a sewing shop or selling second hand clothes in the market. It is important to recognize the resources and opportunities that a middle income individual does and does not have within Ghanaian society in order to more accurately assess the developmental impact of migration, and the migrants' activities.

Finally, this criticism may be underestimating the number of poor individuals who are able to migrate within Ghana, and the family members they are supporting strategically (see De Haan 1999). While this research study is too small in scale for the sample base to be representative, two out of the nine respondents who participated in this study came from poor families, and these two individuals were helping many other poor individuals living within the country. It is possible that in cases like Osei's or Kwame's, the migration process and the businesses created have actually helped their families to move to higher income levels. The support they gave provided a broader base of financial security for the entire family, providing support against poverty and presenting the potential to engage in further income growth activities.

This strategy of helping other family members to become financially successful appears to be cyclical, with the potential for eventually contributing to the socio-economic development of the entire family. Spreading out access to these financial resources creates a broader base of financial security that members of the migrant entrepreneurs' social network can draw upon, not

just to meet basic needs and in times of severe scarcity or difficulty, such as the shocks mentioned above, but also by generating a certain level of financial stability in their lives individuals can count upon that enables them to take risks and presents opportunities. By having access to this financial capital, members of the social network are in positions to obtain loans they need in order to create businesses, to obtain money for schooling, and to secure assistance with utilizing migration and/or business creation as active strategies.

Interestingly, it was precisely because their family members had utilized these same strategies that some of the respondents had access to the opportunity to migrate and create businesses in their home country. Samuel, Jerry, and Kofi each indicated that they were the recipients of this form of assistance from members of their own families. Samuel reported that his migration was supported, in part, with money from his sister abroad, and Jerry and Kofi were provided loans to establish their businesses by their brother and uncle, respectively, who had each been abroad and returned to start business establishments within the country. These respondents' ability to eventually utilize business creation in their country of origin as a strategy to support others was partially dependent on the support they received from family members who themselves were utilizing migration and business creation as strategies. They may, in turn, use these same strategies to continue the cycle by supporting other members of their family.

2.4. Conclusion

In conclusion, the establishment of business activities in their country of origin has the potential to have a high developmental impact on the respondents and on members of their social network. These livelihood strategies also have the potential to contribute to human developmental as defined more broadly, such as contributing to greater levels of well-being for the respondents and members of their social network, and an enhanced capabilities to obtain satisfaction in the lives they are living. Within this study, the ability for the respondents to successfully utilize these strategies and, therefore, for their developmental potential to be fully realized, depended on a combination of access to opportunities, and the successful use of these strategies during the migration process, and one the businesses had been established within their home country.

For this to occur, the respondents must, first and foremost, be successful in accessing the capital assets they need. Whether they were able to do so depended largely on their access to opportunities. The first critical opportunity all of the respondents were provided with was the opportunity to migrate abroad and secure employment in a Western country. Given the difference in currency conversion, even basic low-skilled, low waged employment alone provided financial capital that enabled the respondents to pay for their living expenses, while supporting their families back home, if only minimally. The respondents' ability to move beyond basic support for themselves and their families depended on whether the individuals encountered experiences during the migration process that supported or hindered their ability to acquire the capital assets they needed. Being provided with access to opportunities, such as the opportunity to advance in one's workplace, to secure higher paying employment, and to acquire loans from personal friends or financial institutions, enabled the respondents to realize their personal goals, and to enhance their human capabilities. Conversely, experiences such as discrimination in the workplace affected the ability of the respondents to gain human capital they might have been able to draw upon, such as on the job work experience, and affected their ability to earn higher wages which better enabled them to send more money home to their families, to save money for other physical capital assets they needed, and to invest in present and future business activities. What occurred during the migration process also had a profound effect on more psychological and emotional aspects of well-being experienced by the respondents. Some respondents had experiences such as discrimination, or the stress of trying to use scarce resources for both personal and familial needs, which had a largely detrimental impact on them developmentally. Other experiences, such as the personal happiness that was gained from the ability to support one's family, and from experiencing new cultures and ways of living, were found to contribute to respondents' overall levels of well-being and the ability to live lives they valued. The study found that migration had an overall positive developmental impact upon the majority, though not all, respondents, as most were able to gain the capital assets they needed abroad to support themselves and others developmentally, and to experience enhanced levels of well-being from using migration as a livelihood strategy.

The respondents' ability to then utilize businesses in their country of origin as a strategy to continue, and enhance, their ability to support themselves and others developmentally depended on their ability to transform the capital assets they gained abroad into successful businesses within their home country. Their ability to do so was dependent not only on the capital assets

acquired abroad, but also on the activities which occurred once the migrant entrepreneurs established their businesses within Ghana. If the business was not successful enough financially to sustain itself, it could not support the developmental needs of either the migrant entrepreneur, or members of their social network who also relied on this livelihood strategy. Most of the migrant entrepreneurs encountered experiences once returning that negatively impacted their ability to support themselves and others, as well as their own personal well-being and their satisfaction with the lives they were living. These experiences included failed businesses, stealing and cheating from friends, family members, and other employees, as well as financial dependency, and stress from the pressure of negotiating between personal goals and social responsibility. To use these businesses in a way that contributed developmentally, the respondents had to create strategies that enabled them to overcome these constraints. They employed multiple strategies to make the businesses financially successful within the Ghanaian economy, and to protect their businesses from the undermining activities of others. They also employed strategies to negotiate between their financial success, and their social responsibility. In conclusion, the research study found that most of the respondents were highly successful in creating effective strategies that enabled them to negotiate around the constraints they faced and, consequently, were able to employ these strategies to provide the maximum benefit developmentally. The ways in which the nine respondents managed to create and utilize these strategies to support themselves and members of their social network developmentally will be explored in greater detail throughout the rest of the study.

Chapter Three: Trust in Social Networks – Success and Failure of Migrant Businesses

“You can’t trust anyone 100%, only 50%, for the rest you take the risk.” Abdul

3.1. Introduction

During the course of my research, this same sentiment was expressed by almost all of my respondents. This statement is particularly telling given the extremely high level of trust respondents were required to place in others in order to run their businesses successfully. Though it is not often mentioned by development organizations or in the literature on the success and failure rates of small businesses within the Ghanaian economy, having a trustworthy social network was found to be one of the most important determinants to whether or not the respondents were successful in creating viable businesses in their home country. In this chapter, I will explore the ways in which trust was a critical ingredient in the success, or failure, of the respondents’ businesses, and the strategies the respondents used to negotiate issues of trust in order to make their businesses succeed financially. Essentially, being able to employ these strategies successfully was crucial in the respondents’ ability to have financially viable businesses, and to support members of their social network developmentally.

In section one, I will explore how the same business strategies that were most effective in enabling the respondents to become financially successful within the Ghanaian economy, were the ones which created the most risks by obstructing the respondents’ ability to monitor business activities. In section two, I will examine the ways the respondents determined whom to trust and employ in their business enterprises given their inability to oversee activities. I will also highlight the dilemmas posed for the respondents, as employing those determined most trustworthy sometimes meant they were not able to achieve their personal goals of employing those with the greatest need, or of employing their family. In Section three, I will explore the sanctions the respondents used, and differences in sanctioning capacity they held with different members of their social network. Given that respondents were unable to eliminate issues of trust completely, they had to employ strategies to stop undermining activities, such as cheating, lying, and stealing, before their businesses were put in financial jeopardy. Section four will then

explore strategies used to reduce the risk of undermining behavior. Finally, section five will explore the implications of the research findings for development organizations and other agencies concerned about the financial success and failure of migrant entrepreneurs' businesses.

3.2. Enabling Environment Created by Business Strategies

3.2.1. Successful Business Strategies

During the course of the research study, it became clear that the respondents were using certain business strategies to increase their ability to become financially successful within the Ghanaian economy. Most of the respondents operated multiple businesses simultaneously, and many were running import/export companies that demanded they be out of the country for significant periods of time. Respondents using these business strategies felt that they were a necessity in diversifying financial risk, expanding business operations, and generating enough income to support their families. Some saw running multiple businesses, and being involved in import/export activities, as their only options to bring in enough money to expand on a level that would enable them to run a financially successful business and uphold their social responsibility. However, the same business strategies that were necessary in order to become financially successful created a fertile environment for stealing and cheating. Both strategies placed distance between the respondents and their workers, and created a lack of ability to oversee business partners and workers' activities. This section will first explore how these business strategies contribute to risk reduction, infrastructure expansion, and the ability to provide greater familial support. It will then highlight the problems that can arise from utilizing these strategies, and how trust is central in being able to utilize these strategies successfully.

3.2.1.1. Risk Reduction

A strategy used successfully by respondents to reduce their financial risks within the Ghanaian economy was to run more than one business simultaneously. Having multiple businesses allowed them to use the profits from one business to supplement the other when either came into difficulties. Respondents running all forms of businesses used this strategy, but it was especially important for those running import/export enterprises due to the way these enterprises operate.

Kwesi's story provides a useful example for understanding the necessity of diversifying risks within an import/export business by running more than one business simultaneously.

Kwesi traveled regularly between The Netherlands, Dubai, Korea, and China to gather his merchandise. He sold new car accessories to individual car owners, and to market sellers who then sold them in the informal economy. Though the import/export business was going very well, with an estimated 10 to 15% profit return on each item, he often encountered difficulties when it was time to clear the next shipment of goods from the harbor. Before all of the imported items were sold and the profit on those items was gained, he had to go abroad again to gather more supplies, then ship them to Ghana, and pay for their clearance. If sales during the month he was away buying merchandise were slow, this left him with a financial shortfall when it came time to clear the goods at the harbor, meaning he could not sell and make profit on those goods he had already purchased until



these fees were paid. At times he borrowed money from other migrants to clear his goods, and at times he lent money to other migrants who were doing the same. Kwesi also encountered difficulties if the shipments took too long to arrive from their foreign destination, which occurred frequently. Because of these problems associated with running an import/export business, one year ago

Kwesi invested around \$15,000 US to start an Internet Cafe in La Paz, the low-income neighborhood where he was living. The building had been purchased and most of the infrastructure had been put in place, but he was still trying to raise the remaining money needed to purchase the computers. When questioned why he started the second business, he talked of spreading risk. He said he could use the money he would make from the Internet Cafe if he had difficulties at any time with clearing or awaiting shipments for the import/export business. He had future plans to open another import/export business and then, farther down the line, his goal was to move into manufacturing once he was able to secure enough money.

Whether Kwesi is able to successfully operate more than one business remains to be seen. After spending significant amounts of time abroad and running his import/export business successfully, he felt he would be able to place a high level of trust in his business manager and employees. However, he was only then starting the Internet Cafe, so he did not know yet

whether the new workers he would find will prove to be trustworthy. This is particularly important given that he would be away from both the Internet place and the import/export business for long periods of time while abroad, and that within Ghana he would be moving back and forth between the two businesses regularly. It is also critical that Kwesi's current employees remain reliable when his time and attention are diverted between the businesses, a fact that remains to be seen.

3.2.1.2. Infrastructure Expansion

As Kwesi's story indicates, respondents also run multiple businesses to bring in enough money to purchase expensive manufacturing equipment. It is difficult for migrant entrepreneurs to move from other businesses into manufacturing, since imported equipment from abroad is extremely expensive and must be bought in a foreign, much stronger currency. The import taxes alone on the equipment are extremely high. Those already involved in manufacturing operations face similar difficulties with buying additional equipment to expand their operations. Even when the businesses are going well, they may not bring in the amount of money needed. Instead, some respondents looked towards running multiple businesses to bring in this money

For Jerry, taking on additional businesses, and involving himself in an import/export initiative, enabled him to expand his business and become successful financially. Jerry ran a sawmill, a construction company building roads and schools, and an import/export business at the time of the study. It was extremely difficult to discern which of his businesses alone were and were not successful, since he juggled them all simultaneously. As part of the sawmill, he bought specialized nail production machinery and was attempting to produce his own nails so that he would not have to import them from abroad. This was currently on hold because he needed additional financing to buy the raw nickel. Within his sawmill, he had also attempted to create a palm oil extracting business, putting in much of the initial infrastructure needed. This venture was almost complete, but was also on hold temporarily. He attempted to hire people to crack the palm nuts manually, but realized this was not profitable, and he needed more money to purchase the large-scale, expensive palm nut cracking machinery. Entirely separate from the sawmill, Jerry was also running a construction company, with his current contract covering the building of a primary school in a rural village and the construction of a road on the outskirts of Accra. While operating the sawmill and construction company, he also continued to run an

import/export business that he started by sending used televisions, irons, and microwaves from The Netherlands to his good childhood friend who managed the business for him. Creating the



import/export business gave him a continuous source of income to rely upon. Like the other respondents who run import/export businesses, he went back and forth to The Netherlands regularly, relying primarily on the support of two close friends, his brother,

and his girlfriend to oversee all of his activities. The first was a friend from childhood who was formally employed to manage the import/export business while he was in The Netherlands and had become manager of the sawmill since his return. The second was a newer friend who looked after the import/export business as a favor when Jerry went abroad to



gather merchandise, as well as the daily management of his other companies. This individual had his own job as well, and was not employed by Jerry. His brother, another return migrant, also checked on the construction projects periodically, and his girlfriend helped to manage the import/export activities.

Since his return to establish his business in Ghana, Jerry had been able to expand within his companies, to diversify his risk, and to rely on a continuous income stream to pay for salaries and merchandise when any of his ventures are facing difficulties. He was highly successful in running an import/export business, a sawmill, and a construction company largely because of the high level of trust he was able to place in his close friends and family. This social network, built on trustworthy individuals Jerry could count on, enabled him to operate multiple businesses successfully, and to use the profits from one to support the other in order to continue expanding activities.

Kwame is also running multiple businesses in order to purchase machinery he needs. At the time of the study, the embroidery business was going very well. Kwame had four stable workers he felt he could trust, and he was being offered more contracts than he could fulfill with just one embroidery machine. His future plan was to buy another machine and expand production, but he did not yet have the money to do so. To bring in extra capital, he is turning his former call center building into a store where he can sell plain, quality T-shirts, hats, and other basic clothing items,

imported from The Netherlands. He will use these items for his embroidery contracts, as well as sell them retail to individuals, and wholesale to other companies. A relatively new worker will be entrusted to run the store. Kwame said this time he will check on the other business constantly, going back and forth between the two throughout the day. However, there appeared to be no clear system for guarding against theft and employee dishonesty. Though he was trying to diversify his business and bring in extra capital, running this second business alongside the first appeared to be risky. It may prove to be the best strategy for expanding business activities within the embroidery company. However, it is highly risky, and may serve to undermine the current success of the embroidery company.

3.2.1.3. Family Support

Other respondents also ran multiple businesses in order to expand their operations, though their reasons for doing so appeared to center less on risk diversification or expansion of physical infrastructure, and rested more on creating operations that would enable them to provide greater support to their family. Abdul's story highlights how running multiple businesses allowed him to provide additional income and employment to his family members. After his laundromat started running successfully, with his good childhood friend acting as manager and two of his brothers as employees, Abdul created a Forex Bureau in the space next door, run by his third brother. His most recent plans for expanding the business include a large hotel he is currently building in a nearby, high income residential area which is developing rapidly. He envisions either building another laundry mat in front of the hotel to service the hotel and this area, or establishing a pick up center to bring the laundry to his current business. He recognizes the risks entailed with juggling such a large venture on top of his two other businesses, but hopes when the hotel is finished he will be able to find someone to manage it that will be trustworthy. When asked why he would take this risk, seeing as how his current businesses appear to be growing and bringing in money, he replied, "Those of us who come back have to do it big because of the situation in Ghana, because of the poverty and the responsibility." At this time, he is no longer able to support his family and friends financially the way he did while he was abroad. While he talked honestly about his own personal desire to be rich and successful, he also talked at length about the responsibility he feels, and the need to make his business grow so he can support his large extended family.

3.2.2. Factors Leading to a Lack of Monitoring Ability

In order to understand how critically trust factors into using these business strategies successfully, one must understand the undermining actions from business partners and employees which the respondents have faced as a result of their lack of monitoring ability. Out of the nine respondents, most have encountered incidents where business partners or employees cheated them, sometimes creating great difficulties for the company. Employees stole merchandise because of insufficient accounting for inventory, workers sold items and claimed they never received payment, and some underreported services granted while keeping the money. Business partners themselves sometimes cheated the respondent over the merchandise or the money. Given that most respondents operated more than one business, and that many spent significant amounts of time outside of the county, within these migrant owned businesses, ample opportunities were created for business partners and employees to act dishonestly. This situation was heightened because the respondents used highly informal accounting and employee-tracking systems that further obstructed their ability to monitor activities. The role that monitoring ability, or the lack of, plays in ensuring that others act trustworthy should not be underestimated, nor should the way these actions affect the success, or failure, of migrants' business enterprises. The following section will highlight the factors leading to a lack of monitoring ability.

3.2.2.1. Lack of Strict Accounting Systems

A few of the respondents encountered difficulties because their workers took advantage of the fact that they did not keep strict account of inventory and daily activities. Within Ghana many small businesses do not have systems for tracking sales electronically, nor do they employ adequate systems for keeping account of inventory. In fact, compared to small businesses within Westernized countries, a noticeable lack of monitoring of activities could be noted concerning the respondents' business activities. One explanation for the poor accounting could be that the respondents simply did not have the management skills to run a business. However, many of the respondents had past experience running businesses both in Ghana and abroad, they had from business training through schooling, and they had IntEnt entrepreneurial training. Societal and cultural factors also alternative explanations. Within small businesses many people employ their friends and family, and business owners may be hesitant to inquire into their employees' sales and activities because they do not want to imply that they find this person untrustworthy.

Additionally, even for unrelated employees it may be culturally inappropriate to ‘accuse’ them in this manner of acting dishonestly. Within Ghanaian society, to accuse someone of stealing must be done carefully, as it is a strong accusation of behavior that is not accepted socially. An environment that enabled this cheating and stealing to occur was created in part because it is difficult to accuse someone of stealing, especially if this person is a member of your family. Culturally, this may have translated into a lack of implementation of detailed accounting systems requiring the employees to report on their activities because the respondent did not want to appear accusatory. Though this lack of close accounting was not found to be the primary factor that enabled employees to steal from companies, it led a few of the respondents, in particular, to face great financial difficulties.

Kwame’s story illustrates how insufficient inventory tracking systems created opportunities for employee dishonesty. When the embroidery press was first started Kwame was encountering financial difficulties. In order to bring in more money, he turned a nearby building into a call center, employing two girls to operate it. He was unable to be physically present to oversee their work, spending the majority of time operating the embroidery business. With ample opportunity to underreport transactions, the girls took advantage of the situation by lying about the number of people using the call center each day and keeping the majority of the profits. They did not realize that Kwame would see the number of calls made on the monthly phone bill. Luckily, he was able to catch the discrepancy relatively quickly. During this same time, he decided to ask one of his workers if they could help him borrow money from others until the embroidery business was financially successful enough to sustain itself. He did not know that this same employee was working in partnership with another worker to steal items from the company. Since Kwame was not keeping records on each piece of inventory, it took him some time to notice the difference in quantity. By then he had already lost a great deal of money. He fired the worker he caught in the act of stealing, and they left the business with the other employee. It took him some time for him to find other individuals he thought might be trustworthy, but he finally built up his staff again, this time changing operations slightly and watching people more carefully.

3.2.2.2. Operating Multiple Businesses

As can be seen from Kwame's story, the problems of worker oversight are heightened considerably when individuals run more than one business, since owners must move back and forth between them daily in order to check on activities. As noted from their profiles, only two out of the nine respondents were running a single business, with all the other respondents operating multiple businesses simultaneously. Juggling their businesses in this manner, it is impossible for each respondent to watch over their employees' actions carefully and make sure the sale of each item, or each service transaction, is honestly recorded. Instead, they must spread themselves between their businesses to the best of their ability, hoping that they have trustworthy business managers and employees.

The difficulties in moving back and forth between businesses can be seen clearly in Samuel's case, where he tried unsuccessfully to run a garage while also actively running three import/export businesses. In addition to an import/export business selling used electrical goods, he had one selling rugs his girlfriend sent from The Netherlands, and a third selling lighting supplies. All were located within a short distance from each other in La Paz, a low-income neighborhood in Accra. He went back and forth between them daily. Though Samuel's dream was to run his own garage successfully, he was not left with enough time to watch over his garage and make sure everything was going accordingly. Instead, he left another in charge of managing the garage, a friend of his brothers who he did not know previously. Because he could only visit it infrequently, his manager was able to divert business by convincing customers to bring the cars to him to fix personally. Without seeing the number of customers frequenting the garage, Samuel was unable to tell the difference between the number of people using the mechanic's services and those recorded officially. Until he found out about the theft from a third party, he only knew that the garage was unsuccessful, and that it was losing money. This was the second time he had left his garage in another person's care, encountering similar difficulties before when employing a stranger that led him to try to find someone trustworthier. Sadly, just one month before our interviews began he had given up the garage for good, saying it was only 'sinking money'. He could not keep putting money from the other businesses into it, and he did not have the time to oversee it. Samuel's story is especially disheartening given that his life's dream had been to run this garage, and that the original reason he went abroad was to earn enough money to buy the large-scale mechanical equipment he needed.

3.2.2.3. Inability to Oversee Import/Export Activities

Many of the respondents not only run multiple businesses, but also run their businesses while spending significant amount of time outside of the country. Almost half of the respondents went back and forth between countries while running import/export businesses, and another had a Dutch wife and children living in The Netherlands, whom he visited regularly, necessitating constant migration to be with his family. The difficulties with trusting business partners and employees are greatly increased when individuals cannot be physically present in the country. The import/export businesses, in particular, entail very high levels of risk because they require that trustworthy individuals be present on both the import and export side of operations. Sending money abroad in exchange for a promise of quality material goods requires that a high level of trust be placed in business partners, as does shipping goods from abroad and placing another in charge of collecting the items and selling them. People choose good friends or family members to do business with precisely for this reason. However, time and again stories were heard from research respondents about not only strangers, but also friends and family who took advantage of their inability to be physically present at a critical stage in the buying or selling process. In trusting friends, families, and business partners in the import/export process, either on the sending or the receiving end, almost all of the respondents have had difficulties.

In Kofi's case, he encountered difficulties in trusting his friend living in The Netherlands to export the merchandise he needed. Kofi started his import/export business with a Ghanaian friend who had migrated to The Netherlands. He combined savings earned from a clothing shop he owned previously with a loan provided by his uncle to put up the initial capital needed to pay for the import of second hand and broken electrical goods such as televisions, cd players, and radios. His plan was to have these goods sent from The Netherlands, and to hire people to repair them within Ghana. However, when the goods were sent over by his friend in The Netherlands they were completely broken beyond repair, and he lost out on all the money he invested to pay for the goods and transport. Though his friend blamed the problem on a third party in The Netherlands, Kofi realized that the level of risk was too high, and he decided not to place that trust in others again. He decided the only way to succeed in the import/export business was to be physically present by migrating himself and handling all of the risks personally. At the time of the research study, Kofi spent a couple of months, on average, gathering merchandise in The Netherlands from markets, second hand stores, and agencies which collect broken, discarded

goods that are thrown away. He stayed just long enough to fill large shipping containers with goods and send them off to Ghana. He then returned to Ghana from anywhere between two to three months, depending on the length of time it took him to clear the goods from the harbor and sell them. After the items were almost all sold, he returned to The Netherlands to begin the cycle again. He did this, month after month, year after year, going back and forth between the two countries. He and his wife lived roughly half the year in Tema, where he has established a second import/export business, and the other half of the year he resided in The Hague. He was not happy with this arrangement, preferring to live in Ghana exclusively, but after encountering difficulties with trust he said he would never again let anyone else handle the business. He stated, "If you just give it to someone, you will lose it." Still, he cannot control every aspect of the business. By their very nature, import/export businesses require that at all times the business owner is depending on others to oversee some part of the operations. A friend who had his own import/export business managed Kofi's import/export business in Tema when he was away, and his brother managed the other import/export business he had started in Kumasi.

Samuel, who has been running three import/export companies, is now also looking into the possibility of going back and forth between The Netherlands and Ghana to minimize his risks. He wants to retain more personal control over buying and selling activities. He and his Ghanaian girlfriend from The Netherlands began the business together initially. He has had difficulties at both sides of the import/export business; from the start he had trouble with his girlfriend's family who stole from them when they sent goods from The Netherlands to Ghana and entrusted them in the family's care. It appears he may now be encountering difficulties with trusting his key partners abroad, namely his girlfriend and his main business associate, a former friend. He and



his girlfriend are having trouble because she recently received her citizenship papers in The Netherlands and is now reconsidering the marriage they had been discussing. She is his only contact for the carpets, and since they are arguing and she has been asking him recently about ending the carpet business, he is now

thinking it is too much of a risk to count on her completely. He questions, "Maybe she will take some of the money I send for carpets and puts it into her own shop in The Netherlands?" Another friend has been sending him cars, but this person received money from Samuel some time ago now and did not send the car when expected, so there may be a problem with counting on him as

well. Samuel talks wistfully about going abroad again. He misses life in Europe. He is also feeling lonely in Ghana, and hopeless about the businesses. He is thinking of migrating again and starting a different form of import/export business, this time selling cars and spare parts only. He plans on going back and forth himself to gather the goods in The Netherlands, ship off the containers, and come back to Ghana to sell the merchandise. Unlike Kofi, for Samuel living transnationally may be ideal in that it will allow him to live both in Europe and in Ghana, which appeals to him personally. However, he does not have a trusted individual in Ghana to watch over his businesses while he is in Europe collecting merchandise. By controlling the collection, the sending, and the selling process, he eliminates much of the risk, but if he cannot find someone trustworthy to watch over his stores while he is gone, he may yet encounter difficulties.

As can be concluded from the above examples, running businesses where the business owner cannot be physically present to oversee activities requires a high degree of trust in the individuals the owner is partnering with and hiring as employees, while also providing ample opportunity for that trust to be broken. These risks are heightened considerably within the import/export business, since individuals must have trustworthy people on both sides, either gathering the merchandise and sending it, or collecting it from the harbor and selling it. A certain level of this risk can be eliminated when business owners operate both sides of the import/export process. However, they must still leave others in charge of their business while they are away. For those running multiple businesses in addition to the import/export, controlling both sides of the process means leaving their other businesses unattended and vulnerable. Still, most respondents operated businesses this way.

Given the high level of risk posed by the migrant entrepreneurs' businesses, the reliability of the members of the respondents' social networks appears to be one of the greatest determinants of the success or failure of their business enterprises. While there are other determining factors, if the respondents were able to rely on others to help rather than hinder them, this was most influential in their ability to operate their businesses successfully. The following section will explore the factors influencing an individual's reliability, and the strategies the respondents used to eliminate their risks by involving those found to be most trustworthy in their businesses, and sanctioning those who were deliberately engaging in undermining activities. This section will also explore the contradictions and limitations involved in utilizing these strategies, as they were

not always complementary to the respondents' personal objectives for starting their businesses in their home country

3.3. Factors Influencing Reliability

Given the extremely high level of risk they face in running their businesses, respondents had to make difficult decisions regarding whom to partner with and employ in order to best run their businesses successfully. Though most, like Abdul, stated adamantly that they trust no one fully, they also cannot avoid involving others in their business enterprises, and so can never completely eliminate these risks. The choices they made in deciding who to involve in their business enterprises were vitally important to the success of the business. For some respondents, offering employment was done as an act of charity, with strangers hired literally because they were poor and need the employment badly. There is a strong spirit of giving within Ghanaian culture, and many of the respondents talked of wanting to provide employment in their businesses to help others less fortunate. In other cases, respondents provided employment solely on the basis of who possessed the skills that were needed within the company. Finally, respondents made decisions about who to involve in their companies based on the individual's role within the social network. This decision was based less heavily on certain qualities possessed by the individuals themselves, and focused instead on the relationship they held to the migrant entrepreneur, such as a personal friend or a member of their family. With family members in particular, in many cases the respondents had been previously responsible for supporting these individuals with remittance money, and the employment offered was a way of continuing to provide support and honor their kinship responsibility.

What emerges from the experiences of the nine respondents is that which approach taken in selecting whom to involve in the business initiative is critical, though whether whom they employ is trustworthy does not necessarily correlate with trust-based relationships as one might have initially foreseen. Whether or not a business partner or an employee can be trusted appears to have little to do with personal characteristics, such as honesty and dependability. Nor does it have to do with factors such as whether someone feels gratitude for being offered the employment, or whether he or she feels personally close to the respondent and, therefore, will act honorably. Instead, each respondent's experiences point to other factors that appears to be

strongly influential in determining the supportive or undermining nature of employees' activities. The following section explores the various factors influencing these activities.

The first important determining factor is poverty. Whether or not members of a migrants' social network cheat or steal has much to do with the income level of the individual employee and their family, how well their salary meets their actual needs, and, if it does not, whether the respondent takes active measures to address this discrepancy. A second important factor appears to be the perception members of the social network have towards the migrants' life abroad, and the ease or difficulty they see in obtaining merchandise and money. The third factor determining reliability is the sanctioning capacity of the entrepreneur regarding the actions of others. This appears to strongly influence when members of migrants' social networks act in ways that support the business initiative, and when they act in a manner than it undermining. An analysis of how these three factors correlate with the individual experiences of the nine respondents can help us understand why some migrant entrepreneurs have social networks they can count on, while others face significant difficulties with their business partners and employees.

3.3.1. Poverty Induced Actions

It is telling that when each of the respondents was asked why their workers, family members, or friends had stolen from them, all except one cited poverty. Even when respondents give their workers what they consider to be a decent wage, the amount of money the employees earn appears to be insufficient to meet their needs. During the study, respondents were asked how much they paid their employees. The majority of the respondents reported paying salaries of around 500,000 cedis per month, the equivalent of \$55 dollars a month, or \$1.83 a day.⁸ For Ghana, 500,000 cedis per month could be considered a decent wage, given that 40% of the country currently falls below the country's national daily poverty line (World Bank 2003). This wage is also significant when noting that the unemployment rate in Ghana is around 20% (CIA.gov 2004), and there are no unemployment benefits available, or other forms of social security. Without this employment many of the workers might have been piecing together money through irregular work in the informal economy, or relying on other employed friends and family. However, this salary is still relatively low when compared to the high cost of social

⁸ The World Bank considers one dollar-a-day to be the international poverty line.

services, such as education and health care, and the government's inability to provide support with securing basic necessities. Many of these workers are still presented with difficulties in supporting a family and insuring against financial hardships, such as those incurred with deaths in the family and hospital fees. This situation is heightened within Ghana's social care system, where these workers will also be responsible for less fortunate friends and relatives.

Kwame's experience with his brother illustrates some of these difficulties. While still living in The Netherlands, Kwame decided to embark on an import/export business, sending televisions, refrigerators, computers, sewing machines, and cars himself, and then going to Ghana to pick up the shipments. He gathered much of the merchandise by driving around Amsterdam in the evenings collecting goods that were left on the streets, then filling a large shipping container of this 'trash', and sending it to Ghana. For the first five years, Kwame sold it all himself, working full time at a rubber factory in The Netherlands, and selling the goods on infrequent trips to Ghana. This became too much for him to sustain, so he asked his older brother to resign from the police force and take care of the business. However, his brother sold the goods and misused the money, sometimes giving him none at the end of the day, telling him people had bought items and promised to pay later, but never paid. When discussing why his brother would take money from the business and use it personally, Kwame said the issue was poverty. He had wanted his brother to be comfortable. He gave him 500,000 cedis a month and the car to use. Instead of taking part of the profit as salary, his brother took almost all of it, saying he needed money for schoolbooks and school fees. According to Kwame, his brother did not use the money extravagantly, buying a car or house with it; he used the money to support his wife and family. Essentially, Kwame was trying to become financially successful with the import/export business while also supporting his brother; support which he had provided previously by sending remittance money from abroad to supplement his policeman's salary. However, the wages alone were not sufficient to meet his brothers' needs, and Kwame did not actively increase his salary or offer additional support financially. Rather, he was hurt and frustrated with the relationship, and felt unable to continue supporting his brother since he was continuously losing money. After five years, Kwame ended the import/export business, and turned to supporting his brother financially using alternative strategies.

Abdul was also encountering difficulties, though he expressed understanding rather than frustration when talking about his suspicions that some of his workers have been stealing from

the company. He claimed sales had gone up significantly since his return, and speculated that his workers had been securing agreements with customers to have the laundry done “off the books” at a cheaper rate, benefiting them personally. Though these workers he was speaking about were essentially his brothers and/or his close childhood friend, as these are his employees, he did not judge them. Rather, it appeared that he was aware of the discrepancy and enabled the actions by not addressing the matter, instead understanding the difficulties they faced in meeting their needs. Again, he claimed it was poverty. He talked of the economic situation in Ghana, and the need to support others, saying, “Here a person is not rich. In Ghana, we don’t only care about being rich; we care about relationships. I am trying to have both.”

Almost all of the respondents had stories where friends, family members, and previously unknown employees had cheated or stolen from them, and while some expressed anger and frustration at the situation, there was also a certain level of understanding. It is important to understand the cultural role that charity plays in a society such as Ghana’s. Respondents expressed concern about poverty and financial hardships of friends, family, and even strangers repeatedly during the course of my study. Many took active measures to alleviate this hardship, with these actions ranging from providing financial assistance, to offering employment, to overlooking certain activities. However, it placed them in the difficult position of trying to determine how and when to sanctioning others’ actions when the actions became too extreme and threatened the success of the business.

3.3.2. Differing Perceptions of Life Abroad

A further issue that complicates the relationship between migrant entrepreneurs and their employees, whether they are strangers or family, is their status as migrants, and the differences, both real and perceived, concerning wealth and opportunities. When discussing issues of poverty, it is important to take into account feelings of relative deprivation between the migrant and their employee. Employees see migrants returning with large quantities of merchandise and sums of money, and it is easy to imagine how they could feel entitled to take some of the money or merchandise to benefit themselves personally. Particularly when an employee has not been abroad, they may have disparate views of life abroad, and how easy, or difficult, it is to save money. Workers may also lack an understanding of the business costs incurred, seeing used and

broken merchandise as cheap. Some may think that their actions will not be detrimental for the business, as the migrant can simply go back and get more money.

Osei thought that past difficulties he had encountered with his business related directly to this disparate perception his employees held of life abroad, and to the ease they saw in obtaining merchandise and money. Osei's businesses involved buying used and broken televisions from The Netherlands and having them repaired in Ghana. At first



he stayed in The Netherlands and shipped the TVs back to his brothers. They were in charge of



off loading the containers from the harbor, repairing the TVs, and then selling them in Accra. When the business started going well they expanded it into another import/export business, began to include other electrical goods such as stereos, fridges, and gas cookers, and hired other employees.

However, the people he hired were not trustworthy. When Osei first expanded his business, he encountered difficulties with the new employees stealing merchandise and selling them separately. After being questioned as to why he thought these employees stole from him, he ventured, "They think things are cheap in The Netherlands, all of these TVs are so cheap, that they can do whatever they want with the business." After firing five people, Osei decided to come back to Ghana and manage the business himself. His businesses are now going successfully, as he handles both sides of the import/export process himself, and leaves the businesses in the care of his brothers and his TV workshop in the care of a fellow returnee.

Kwame also feels strongly that the reason he had trouble in the past with his brother and with other employees is because people know he has been abroad, and they assume he has lots of money. They think that money comes easily in Europe. Kwame stated that people took advantage of him because of their idea of life abroad, saying, "When you are in Europe, people think you are rich, they misuse the money." After the experience he had with his brother, he stated during various interviews that he would not involve family members in his businesses again, and that he would not start another import/export business if he could not manage it personally. At the time of the study, he was reconsidering entering the import/export business again, but he said this time he would only go into business with a fellow returnee. He had not

made any decisions yet, but he was thinking of gathering used items while he visited his wife and family in The Netherlands and sending them to his cousin in Kumasi, the second largest city in Ghana. He thought his cousin might be trustworthy because he had also lived abroad previously, and he knew how difficult it was to work there and save money. His cousin also has less incentive to steal merchandise or money since Kwame helped this cousin to migrate, and he was now doing well financially, with a farming business he started from his own savings.

Kwame may be right in this assessment, as other respondents, such as Jerry and Osei, have found other returning migrants to be highly trustworthy. Jerry's strong social network is made up of two individuals who have also been abroad – his close childhood friend who manages the sawmill and his brother, who runs his own car washing business. Both help to oversee Jerry's business activities in his absence. Furthermore, involving individuals who are doing well financially, even if they have not been abroad, appeared to be a good strategy, as they have less incentive to cheat or steal for extra money. The other friend Jerry relied on also has sufficient personal income, working in a non-profit organization as a full time employee. However, these are not the only determinants that make Jerry's network trustworthy. The other is a strong sanctioning capacity.

3.3.3. Migrants' Sanctioning Capacity

The third factor that was influential in determining whom the entrepreneurs chose to employ, and the employee's reliability, was the sanctioning capacity the respondents had over their partners and employees. It is interesting to note that this capacity to hold others accountable differs when the person is a friend, a family member, or an unknown employee. The respondents who were not currently employing family members talked about how this was a strategic choice they made, and that they would hold little power if they employed members of their families. Some of the respondents had had negative experiences in the past with employing family members, while others, learning from other people's experiences, made an active decision not to employ family. Respondents spoke of the legal system, and how there is little ability to have legal control over their family members' actions. As Mohamed stated, "It is different with family and other employees. The law deals with people if someone commits a serious offense. You can get retribution by law, you can get your money and items back." Others echoed similar comments about the law, and their lack of ability to enforce measures against their family. Samuel's

experience with his girlfriend's family and the import/export business shows that even when the law is called upon, when family members are the ones at fault, the law may be hesitant to interfere. When his girlfriend's family began stealing merchandise from the store and selling them in the market, he and his girlfriend went to the police to report the problem, the police said they could not do anything because it was a family affair.

Jerry also actively steers away from employing members of his family. Though he relies on his immediate family for business advice, assistance with overseeing employees, and financial loans, when needed, he does not employ them within the business. In his case, his immediate family and friends are personally successful, so he is not placed in the position of determining whether to employ them or continue supporting them financially. However, he has a larger, extended family, many of which encounter financial difficulties. When asked why he did not employ some of them in one of his businesses rather than providing money, he said that he made an active decision not to employ family members because if they steal from you, you cannot handle the matter legally. He claimed other family members would dissuade him from bringing in the law, telling him to overlook the incident. Instead, he chose to employ friends, whom he could fire more easily, and others he had not known previously.

Many of the respondents had also encountered problems with friends and unknown employees, but it was clear they felt a greater level of control over these individuals, who could be fired and replaced without encountering the same difficulties. Even though respondents brought up the law when talking about their ability, or lack of, to enforce measures with family, other factors appear to be more significant. The enforcement mechanisms actually used upon friends, family, and other employees did not actually differ significantly. Though the law was mentioned repeatedly, when questioned as to which actions were taken against employees, none of the respondents who faced difficulties with friends or other employees brought in the law to handle measures; instead, they simply fired the individual before they could do additional damage, and found someone else for the company. With family members, this is a difficult, and sometimes much more complicated, option for respondents to take. Not only is it complicated socially, as it may become a family issue fraught with numerous difficulties, but it also means the family member is no longer receiving the income from employment; support that may have been provided previously by the migrant, and money that was perhaps being funneled to other members of the larger, extended family. If they fire the family member, they may be faced with

either discontinuing their support altogether, or finding other ways to support that individual and/or their family financially. Discontinuing support is difficult, especially if the business initiative was established initially to switch from providing remittance money to employment for the family. Sanctioning family members in this way is especially difficult because the income level of many respondents and their ability to support family is reduced significantly from what they possessed in their former capacity as migrants sending home foreign currency.

3.4. Strategies to Reduce Risk of Undermining Activities

Given these circumstances, and their often-limited ability to actively choose and employ the individuals that might be the trustworthiest, the respondents developed specific strategies that helped to alleviate some of the risks, and to decrease the potential for encountering difficulties. In addition to employing friends and fellow returnees, strategies included compensating workers beyond their salaries, personally taking on as many activities as possible in order to better monitor activities and limit the level of trust necessary, and hiring family members, but showing them that they can also be sanctioned indiscriminately.

3.4.1. Additional Compensation for Workers

One of the respondents employed the highly successful trust building strategy of compensating his workers with additional income to ensure reliability. Kwesi is highly successful in running his import/export business because he has a strong, social network of reliable workers he depends on. After expressing my disbelief that he had never experienced any difficulties, given that he was the only respondent to say this unequivocally, he said, “Things are not perfect, but I am satisfied.” He has made a clear decision not to employ family members, instead supporting his family by sending his sister abroad, his younger brother to university, and by providing additional support to less fortunate family members with need. His manager is a friend of his brothers, and his workers are all previously unknown employees. Kwesi believes he does not have problems with his workers because he compensates them generously. On top of their monthly salary, which is the same amount as other respondents are giving their employees, he gives them small amounts of money daily for food and transportation expenses, and he provides them with regular bonuses so they will not feel the need to increase their income through

stealing. Though one cannot say conclusively that it is his method of compensating his workers that insures their reliability, it is interesting to note that they are paid the same wages as other workers, but they have not created real difficulties. Instead, their reliability is allowing him to spend significant periods of time abroad, and to expand his existing company.

3.4.2. Eliminate Risks By Handling Activities Personally

Kwesi also employs another strategy towards ensuring that his workers act in a trustworthy manner – he gives them limited opportunity to steal or cheat. When operating import/export businesses, the greatest way to minimize the risks is to personally handle both sides of the import/export process. Kwesi and Jerry have done this from the beginning, and Kofi and Osei have learned from past mistakes and changed their way of operating. All of these respondents are now physically present when gathering the goods abroad, assessing the items and handling the shipping, and are present back in Ghana for the collection and the selling. Samuel, the only respondent actively running an import/export business who does not operate in this manner, is now realizing that this may be what is necessary. Even when they have minimized their risks by overseeing as much of the import/export process as is feasible; the risks cannot be eliminated completely by living transnationally. They must still employ other strategies to make sure they have business managers or other trusted individuals in charge of their companies when they are physically absent outside of the country. Further, operating an import/export business in this manner is not easy. It requires, first and foremost, that migrants are able to come and go from both countries legally, either through obtaining citizenship or by securing a business visa. It also requires that individuals live transnationally. This suits some people very well, allowing them to live both in Ghana and abroad. Essentially, they are able to experience life in both countries. For others it is an undesirable way of living, leaving them feeling unsettled from continuously moving, and requiring that they spend significant amounts of time away from their families. Still, given that fact that over half of the respondents are currently running import/export businesses without problems, sometimes in addition to their other companies, eliminating risks by handling import and export activities personally appears to be a highly effective strategy for ensuring reliability.

3.4.3. Threat of Sanctioning Family Members Indiscriminately

The final method, threatening to actively sanction family members, is a very difficult one for individuals to employ because taking the action itself is fraught with difficulty. As mentioned, involving the law is not an enforcement mechanism that can realistically be deployed, nor is it likely to be a threat that will be taken seriously. It is also difficult to employ this strategy because other family members will become involved, perhaps trying to convince the entrepreneur not to carry through with his actions. Finally, it is difficult because this individual employed in the business may be taking care of the members of the respondents' own family, and firing them essentially means the respondents' nieces, nephews, sister, or brother will be left without support. The respondent then either is obliged to care for them financially, or to leave them without a way to meet their needs. However, hiring a younger family member who does not have these dependents alleviates some of this quandary. In cases where it is the individual alone who will be affected and firing them will not have negative effects on the rest of the family, stating clearly that the family member will, in fact, be fired if they act inappropriately appeared to work when the entrepreneur was taken seriously. Family members may realize the difficulty the entrepreneur will have in enforcing this threat, but if their prior actions lead family to believe they are serious, it can be an effective trust ensuring strategy.

Mohamed's case illustrates this complexity. IntEnt's business advisor, a former return migrant who had started his own business, gave Mohamed advice not to involve his family in the chip-making business. During the initial interview, Mohamed talked about how family members are less serious; they do not work as hard for the business. He felt that they would take advantage of the fact that he was family, stating, "We have a different attitude here in Africa. If you say the family is the owner of the company, normally in Africa, they are not serious. People who are not family are more serious." However, shortly after this discussion, he hired his niece to manage the company. When questioned about this change, he replied that he did so to keep the technology within the family. He trains his other workers to do specific tasks, but does not let them in on all of the secrets of the trade. With family, he felt that there would be no competition – even if they took their skills and created the same type of business, the money would still be rotating back to the family. He started the company without family input so they would know that he could run it successfully without them, and he made it clear that when he did hire them, they could be replaced. He felt this made his niece take the work more seriously. His story is

telling in that he found a way to combine two, sometimes opposing goals for his business initiative; to support less fortunate members of his family, while also ensuring that his business runs successfully.

3.5. Implications of Research Findings For Development Programs

The research findings concerning the critical role that trust played in the success, and failure, of the respondents' businesses has important implications for development organizations and other agencies who are concerned with migrants entrepreneurs' ability to create viable businesses. Many within Ghana are each concerned about the high failure rate of small-scale businesses within the country. However, those most influential in supporting these businesses, such as development organizations, government agencies, and banks, often do not recognize issues of trust when assessing and addressing the failure of these enterprises. Rather, access to credit and the need for capacity building predominate the discussion. For instance, in a recent article titled Overdependence on family members may collapse firms, in one of Ghana's leading newspapers, The Daily Gaurdian (October 13, 2004) states that owners of small and medium enterprises are advised by banks against using family members to manage their businesses. This advice is given because 'experience had shown that most potentially productive industries collapsed because family members who did not have the requisite skills were employed to man strategic positions in the companies'. IntEnt also highlighted issues of capacity building when discussing problems leading to the failure of their clients' businesses. When the challenges that might arise from employing family were discussed with IntEnt's local coordinator in Ghana, these concerns were largely dismissed, with the coordinator stating that rather than undermining actions from others, lack of capacity was the greatest problem faced by the migrant entrepreneurs in trying to make their businesses financially successful. He highlighted the respondents' inability to employ good record keeping, for instance, which leads them to believe others are stealing when they do not have an accurate understanding of how much profit the business is making. He then went on to discuss their inability to market their businesses successfully, and the necessity for further training.

The research findings did not indicate that lack of capacity played the greatest role in the success and failure of the respondents' businesses. Some of the respondents gained business skills

abroad by attending business courses in school, by running their own businesses, and by undergoing training through the IntEnt development program. No differences were found in the experiences between those respondents who did and those who did not possess prior business skills or entrepreneurial training. Rather, most of the respondents dealt with lying, cheating, and stealing at some point during the operation of their business enterprises, and they overcame these obstacles by using a variety of strategies to remove these individuals from their enterprises, while continuing to provide their families with the support needed. These strategies had little to do with their prior business skills or the programs they underwent geared towards capacity building.

While lack of capacity undoubtedly also plays a role, the research study findings indicate that deliberate undermining activities may be responsible for many of the failures occurring with small-scale businesses in Ghana. The inability to recognize both the social and the economic factors that impact upon the financial viability of the business enterprises renders development organizations such as IntEnt largely unable to assist migrant entrepreneurs in overcoming some of the greatest constraints they face. It also leaves them unable to support their clients in successfully utilizing their greatest assets that may be using trustworthy members of their social network to oversee activities. Development organizations and other agencies attempting to support the viability of small-scale business enterprises must acknowledge and address the social factors migrant entrepreneurs are facing when they create businesses in their home countries. Essentially, the migrant entrepreneurs themselves addressed these constraints strategically, but they were not provided with the support they needed to do so from the development organizations or other agencies established to assist them in making their businesses succeed.

3.6. Conclusion

By having a trustworthy social network, the migrant entrepreneurs could successfully employ other strategies to enable them to succeed financially within the Ghanaian economy, such as running multiple businesses simultaneously, and generating income through import/export ventures. Whether an individual was found to be trustworthy appears to be less dependent on personal characteristics, such as honesty and dependability, and more closely related to other factors, such as their poverty level, their migration status, and the migrant entrepreneurs'

sanctioning ability. Respondents were placed in difficult positions, as they had to employ specific strategies to decide whom to trust with their businesses, yet these strategies were sometimes at odds with their personal goals for creating the business in their country of origin. Rather than employing one person over another solely because they appeared to be trustworthy, respondents had to weigh all of their options against the risks and make decisions that best support their goals for their business enterprises.

First, respondents had to make decisions between taking actions that led to the greatest level of financial success for their business, and doing what enabled them to best support their families. That these two goals are complementary should not be taken for granted. Before beginning the research, I had anticipated that one of the primary reasons entrepreneurs started a business in their country of origin was to provide employment to family members that they were previously supporting from abroad with remittance money. However, during the course of the study, I found that family members were not involved in the migrants' business enterprises to the extent that was expected. Though some of the respondents supported their family members using this employment strategy, over half of the respondents had no family members actively employed in their business (Appendix 1, Table 2, pg. 122). Instead, they chose to hire friends and outside employees. This enabled them to retain a critical sanctioning ability that gave them the level of control over their employees' actions they needed in order to see their business enterprise succeed financially. However, this strategy was limited because it did not enable the respondent to cover the needs of family members they were supporting financially.

Second, many respondents faced a dilemma in that they expressed a desire to help those less fortunate, yet employing these individuals was more risky as they were found to be less trustworthy. Respondents who hired lower income individuals, whether they were strangers or family, faced difficulties because the salary provided did not appear to truly meet the needs of their employee. The salaries they were paid appear insufficient compared to the cost of living, especially when noting the high unemployment rate in Ghana, and the fact that these employees were most likely supporting a host of individuals beyond their immediate families. It appears a situation was created where many employees cheated and stole from the businesses in order to obtain the money they needed; perhaps feeling more justified in doing so because their employer was a returning migrant, with all the images of riches and opportunity that identity represented. Migrant entrepreneurs faced a difficult situation in that they truly did understand the poverty

their friends, families, and employees were facing, and to some degree, a slight amount of cheating or stealing appears to be overlooked and even sanctioned within their companies. Yet if they allowed the stealing to continue and it began to undermine the business initiative significantly, they would not be able to provide for themselves, their own families, or others they were supporting. This caused particular problems for some respondents who were lower income, and had employed their family members as a strategy to support them financially. However, hiring employees who were found to be the trustworthiest, such as those who have been abroad or those who are higher incomes, was problematic because these individuals were more likely to be financially stable already. While these individuals' employment would have multiplier effects for those less fortunate by providing money for education, health care, and other basic needs, it will not go directly to these individuals in a manner that enhances their confidence, their skill base, and their own ability to take advantage of future opportunities.

In summary, the research study uncovered various contrasting findings. The respondents had to employ multiple strategies in order to make their businesses financially viable within the Ghanaian economy, yet many of the strategies they utilized to diversify their risks, such as running multiple businesses, taking on import/export enterprises to bring in extra money, and running both sides of the import/export process personally, were precisely the strategies that were the most risky when it came to retaining control over the actions of employees. Furthermore, though involving untrustworthy individuals in the business was found to be the greatest risk to financial success, negotiating between personal goals and associated risks when employing workers presented dilemmas. The greatest multiplier effects were to be gained by hiring poor workers and providing for those with the most need, yet these individuals were the most likely to steal and cheat precisely because of their greater need. Finally, employing family members enabled the respondents to care for their family without drawing upon the business profits, yet employing family presented the greatest risk to financial success of the business because they were the hardest to sanction if they acted in undermining ways. The respondents who participated in this study faced difficult decisions regarding the best strategies to employ in order to realize their personal goals and run their businesses successfully. A very high level of flexibility was demanded from them within this high-risk environment. They had to continually renegotiate their strategies as new situations presented themselves, making difficult decisions concerning how to best utilize their resources, to realize their personal goals and support others developmentally.

Chapter Four: Negotiating Financial Success and Social Responsibility

“In The Netherlands, people don’t encourage your dreams... they don’t understand us wanting to take care of our families... In Africa, we like economic feelings.” Mohamed

4.1. Introduction

The migrant entrepreneurs who participated in my study faced enormous difficulties in negotiating between providing the support others needed and making their businesses succeed financially. Out of the nine respondents, most held being able to provide for their family as one of their primary goals for creating business enterprises in their home country. They also expressed their desire to help their workers, their friends, and others less fortunate within the community. Their wish to provide support came from a moral and social obligation they felt towards those they cared for, and out of an ethic of sharing and helping others that is prominent in Ghanaian society. However, providing this support presented particular difficulties. Respondents had to acquire and reinvest profit in order for their businesses to remain financially viable within the Ghanaian economy. If they provided others support, but the business enterprise was unable to sustain the withdrawal of money, it would lead to the eventual failure of their business, in which case the respondents would be unable to continue using their businesses as a livelihood to remain in Ghana, and would not be able to support other friends and family who depended on them financially. If they denied providing this support, however, it might mean someone they cared for would be left without the help they needed, and they may be sanctioned socially within the family.

The respondents faced particular difficulties because, due to their status as returning migrants starting businesses, they were assumed to be successful, whether or not their businesses were actually doing well financially. If they concentrated their resources fully on the success of their business instead of fulfilling their social responsibility, the respondents risked being viewed as selfish, and experiencing social sanctions for acting individualistically. By denying their social obligations, the respondents faced consequences such as being ostracized socially, decreased status within the family or larger community, denial of inheritance, and refusal of the right to participate in the burial of family. Inheritance and participation in funerals, in particular, are

extremely important within Ghanaian society (Mazzucato, Kabki, and Smith 2004). These social sanctions provide a strong impetus for acting in a manner that is found acceptable within society. They also place enormous pressure upon migrant entrepreneurs who feel that their businesses are not successful enough financially to provide the support requested of them, but who wish to avoid being sanctioned socially. After reviewing literature on obligations to the extended family within developing countries, my initial assumption was that a major contribution to the failure of returning migrants' business enterprises would be the inability to fulfill moral and social obligations while reinvesting money (see Adepoju 1997; Ayallo-allad 1997; Clark 1999). However, the research findings appeared to contradict this assumption. While many of the respondents expressed feeling pressure and a high level of responsibility towards members of their family, their friends, and even strangers, cultural obligations did not play the detrimental role financially that was anticipated.

Instead of choosing between their multiple and sometimes competing personal goals, respondents had to negotiate a delicate balance between providing enough support to fulfill their moral and social obligations, and retaining enough profit to make their businesses succeed. Those who felt their business had not yet achieved a high enough level of financial success to be able to provide the financial support being requested created strategies to accept, deny, or mitigate these monetary requests, while still fulfilling their social responsibility to members of their immediate and extended family. Section one will focus on the strategy used by higher income respondents who shared the social responsibility with other members of their family who were also successful, and could afford to assist the respondent with giving. Section two will explore how other respondents, including those with lower incomes, actively assisted family members to migrate while they were abroad in order to spread social responsibility. Section three will highlight other income generating activities the respondents used in the place of providing direct financial support to their friends and family. When utilized successfully, these strategies allowed the respondents to focus their financial resources on expanding their businesses, while supporting those they cared for and remaining in good social standing. However, not all respondents were successful, even when using these strategies to the best of their ability. After highlighting the potential of each strategy and the ways in which various respondents employed them successfully, section four will explore how some of the respondents failed to negotiate financial success and social responsibility, and the detrimental impact the migrant entrepreneur, and members of their social network, experienced developmentally.

4.2. Shared Burden of Social Responsibility

As the study progressed, it became clear that some respondents were not placed in the difficult position of deciding whether to help their families financially or to reinvest their profit in their businesses. Rather, the social pressure was less intensive because their family members were doing well enough already. For these respondents, a lower level of support was demanded from them because their brothers and sisters either had good jobs, owned their own businesses, or were still living abroad and could send home remittance money. Even though there were still individuals who had substantial need within their extended families, enough of their family members were successful to share this burden of responsibility. The personal pressure of worrying that their family members would face great difficulty without their support was significantly reduced, since other family members could also be approached for assistance in meeting the need. It appears that these respondents were able to actively deny providing a high level of support for the time being, and other family members took on much of the social responsibility for less fortunate members of the family.

However, in order to avoid social sanctioning, either from those they were denying aid to, or from family members covering the additional responsibility, respondents had to strategically show that they were unable to provide support and were not simply acting selfishly. They could do so by ‘living small’, which is a common Ghanaian term that means living in a way that shows one does not have excess money, like renting a house, driving an older, used car, if any, and being careful with money instead of throwing it away wastefully. Respondents could also show their inability to support socially by talking to others about their changed circumstances, and making their financial situation known explicitly. Finally, the respondents could show their desire to assist by providing financial support for a limited number of people, or for specific needs, like health care and school fees, and agreeing to increase their support in the future once their circumstances have improved and their business is going successfully. By highlighting their present inability to support others extensively, the respondents were able to put off the provision of significant social support temporarily while still remaining in good social standing. Because they came from families where the majority of the individuals were well off and they were able to share the responsibility for those who were less fortunate with other successful

members of the family, these higher income respondents were not placed in the position of deciding whether to provide support to their family or enable their businesses to succeed.

For Kofi and Akoshi, for example, the fact that their family members were largely well cared for was crucial because their businesses were not yet financially successful by their standards. Providing social support would have potentially created great difficulties. Kofi's case, in particular, provides a useful example for understanding this form of shared responsibility. His family is self-described as "well-to-do", with a great-grandmother who established a successful business in Kumasi providing the initial resources for he and his siblings to each become relatively successful individually. His sisters have their own small shops and his brother currently manages the import/export store in Kumasi. His uncles and cousins have either been abroad and started their own businesses, or have been to university. Kofi's family did not have great need. He provided limited support to his friends and family, but did not give beyond his means. As was done with each of the respondents, Kofi was asked to specify what support he gave in the past month to friends and family. He reported paying the school fees for one nephew who is in senior secondary school, and two nephews who are in primary. He also gave money for daily living expenses to friends that were not working, and to those who were working but not earning enough money. Interestingly, for health care expenses he said he had provided no money, stating, "I am unable since the business is not doing well enough, but in the future I would like to support in this way. I would like to help not just my family and friends, but also strangers, others I see who are in poverty." It is unclear whether his family was able to cover these health care expenses themselves, making his support unnecessary, or whether other family members were relied upon to fill this need. However, the fact that his family is doing relatively well, overall, and that the responsibility for familial needs does not fall upon him solely, means that he can continue to focus on his businesses in the hope that it will eventually be 'successful' in the way he is envisioning.

The well-being of Akoshi's family has similarly allowed him to work exclusively towards enabling his business to succeed. He used to send money when he was abroad, but has now discontinued all financial support to friends and family. In answer to questions about recent support he has provided, he answered, "For me, it is simple. None. When people ask, I simply say, "No, I don't have it." He said he would like to help, but he cannot right now because his garage is not stable enough financially, and he faces pressure with paying off his bank loan.

With Akoshi's case two factors are important. The first is that he is able to actively show others within his family that his business is not yet successful. He can explain to them about his bank loan, and he does not appear to live extravagantly. For example, he continues to rent a home in a relatively low-income neighborhood rather than building his own, though he has the intention of bringing his wife and children back to Ghana to live permanently. Akoshi also does not have expensive material possessions, such as a car to drive, so others cannot point to his refusal of support as an act of greed. The other factor that enables him to deny support so conclusively is that his immediate family members are well off enough that others can cover the responsibility. When abroad he used to send home money regularly to his parents, and that he made an active decision to discontinue this prior support is telling. He is the oldest brother, and in Ghanaian culture, this means he holds primary responsibility for the family. When questioned, he said this pressure did not fall on him, because his family was doing fine financially. He stated, "Some families are rich, some are poor, mine is doing okay." Though he was poor when younger, his father eventually made enough money to pay for all of his brothers and sisters to get adequate schooling. One brother now has his own business, his two sisters are married well, and his other brother is living abroad. Others can support his parents, and the family members who are not doing well enough financially. Akoshi was extremely frustrated about his inability to do more for others less fortunate, but he knew his family was not facing real difficulties. Rather than shirking his responsibility, there was no longer a need for him to fulfill that role socially.

If Akoshi's or Kofi's families had been poorer at the time, greater pressure would have been placed upon both of them in negotiating between how to support their families, while also struggling to make their businesses succeed financially. During our interviews, both actively expressed frustrations at the level of success their businesses were experiencing. However, for both Kofi and Akoshi, whether the business enterprises were perceived to be successful was dependent on whether they were financially viable, first and foremost. Supporting others came secondary. While they articulated the desire to be able to offer support to their friends, family, or even strangers living in poverty, supporting others did not appear to be either respondent's personal goal in creating the businesses. Rather, Kofi's goal was to expand the business from an import/export company into a manufacturing business, and for Akoshi it was to create a personal livelihood that is stable enough to bring over his wife and family. When measuring success by income level, which both respondents do, and by the achievement of personal goals,

both respondents are struggling to make their businesses successful, and caring for additional family members at this point would be a challenging financial undertaking.

4.3. Strategic Support of Migratory Activities

For other respondents, being able to share the social responsibility was highly dependent not on the initial wealth of their families, but on their ability to make money abroad and strategically promote the migration of other members of their family. By helping others to migrate, they were able to spread the success, and the responsibilities it entailed, amongst the family. Essentially, by the time they returned to run their businesses, enough members of their families were also successful that much of this responsibility and pressure was alleviated. Though it was still necessary for respondents to offer additional social support when returning, it appears using this strategy enabled these respondents to significantly lessen the share of the financial burden that fell upon them personally.

Mohamed's story provides a good example of how respondents actively used this strategy. When Mohamed was asked what social support, if any, he provides to members of his family, he was adamant that he has not used any of the business profits to support them since returning,



saying the business is not able to support others yet and they are doing well enough financially. His business is in the back of the compound house he built, which he shares with his mother, his wife, his children, and other members of the extended family. Through direct observation during interviews one can see that everyone appears to be well cared for, though they would not be considered wealthy. When discussing support for his mother and father, he stated that he used to send them home money regularly

through Western Union, creating a major source of contention between himself and his Dutch wife. She could not understand why he did this, asking, "Why are they always asking you for money? We need money here." Mohamed talked at length about the difference between Ghana and Western Europe, speaking of how good it feels to support your family, and that you send money home to show love, not because it is an obligation. While it is important to note the differing cultural perceptions towards giving, Mohamed's reason for providing remittance

money appears to be more complex than he is admitting. When we were talking at a later date about the remittance money he sent to his parents, he stated that he financed two of his brothers to go abroad so that they would help him in providing remittance money to the family. As mentioned previously, he has also stated that his reasoning for employing his niece was largely to keep the social support within the family. It appears that he may have reduced capacity to support his family than he did while migrating, but that his family's needs were met, in part, because he employed other strategies. Currently, his business is growing steadily. His ability to provide limited financial support for his family at this time appears to be the result of a strategic decision to hire family members in the business, and to fund other members' migration processes to spread out his portion of the responsibility.

From this example, and Kwame's example provided earlier in the report concerning his support of his cousins' migration strategies, we can observe that the support migrant entrepreneurs provided during the migration process was a strategic decision to share their social responsibility with other members of their family. This shared assistance was drawn upon while the migrant was still abroad and sending home remittance money, and after they returned to their country of origin to establish their businesses. For both Kwame and Mohamed, it was one strategy employed, among others, that enabled them to limit the amount of financial support provided while focusing the resources on enabling their businesses to succeed.

4.4. Provision of Income Generating Activities

Respondents also employed other strategies to limit the level of financial support they were responsible for giving. They offered alternative forms of social support by providing income through employment in their businesses, and by assisting their family members to start their own companies. Assisting with the creation of a business enabled the migrant entrepreneur to provide one large gift to their family member/s, such as financial capital to start the business, or physical resources and infrastructure the business needed. The family member could then no longer approach the migrant with requests for assistance, and, just as importantly, the respondent could deny requests for further support if the business did not succeed. By providing employment, on the other hand, the risks were higher, as highlighted previously, but most of the family members' basic needs were covered, meaning the level of support the migrant provided to that individual

was lessened significantly. Providing employment can serve another purpose as well. The employment the migrant entrepreneur offered may have reflected well upon them socially, enabling the entrepreneur to actively deny financial support to others while still remaining in good social standing. It was sometimes difficult to assess when this was being used as an active support strategy, since family members were also providing support to the migrant entrepreneur by contributing their labor skills and energy. Mohamed, Abdul, and Samuel all appear to have been strategic in their decisions to use these methods as social support strategies, and successful in realizing their personal goals for establishing their businesses. They provided the highest level of financial assistance to their families and friends that they felt was feasible, and their businesses were growing successfully.

4.4.1. Offering Employment in the Business

At the time that my study was conducted, Abdul had only been back in Ghana for three months actively running his laundry business. Though his business had been operating for almost three years already, he was only now experiencing the difference between being an immigrant business owner living abroad and sending home stronger foreign currency, and being a migrant entrepreneur in his country of origin where the expectations upon him far exceeded his capacity.



During much of our time together he talked about his struggles with his changed social role as a return migrant, where he was approached constantly with requests for money. His frustration was aggravated by his diminished capacity to assist financially. When in The Netherlands, he sent home money regularly to his father, mother, uncle, and cousins. Upon returning he continued to support as he could, but made it clear to those he was sending money to from abroad that he was no longer able to help them like he was doing previously. He explained his situation to each of them, and he said they were very understanding. He

stated, “We do it from our hearts, we don’t do it from pressure. So if we don’t have it, they understand.” Despite his diminished capacity, his businesses were going relatively well, and he supported others with what he felt he could give feasibly. He was no longer able to help people

pay for their rent, to provide assistance with starting up businesses, or to help with migration expenses, but he continued to support people's education and health needs. Since his return he has paid for school fees for five cousins from both Accra and his home village, and he has helped relatives and friends to buy medicine. The need to provide support to members of his immediate family was also decreased substantially since he was also supporting his three brothers, his close friend, and, essentially, members of their families, with wage employment in his businesses. This may have contributed to why people understood his inability to provide assistance. They saw him employing his friends and family, and therefore did not think he was trying to get rich selfishly.

Abdul's case also highlights the importance of making your financial inability to provide support known to others, as well as the need to support this claim with living in ways that are not extravagant. Abdul thought people understood his inability to give because they saw him 'living small', without a nice car and without spending lots of money. He explained, "Most people want to be seen as big, but they are not. If you walk around flashy, in a nice car, with a nice house, spending lots of money, then people will come to you and they will think you are stingy if you don't have it to give. If you live more humbly and explain your situation, they will understand... Many, many people live large, have big cars, they do not invest. Their family sees it, and there becomes a clash." In contrast, Abdul spoke of supporting his friends and family to the best of his ability, and did not appear to live lavishly by Ghanaian standards.

4.4.2. Assisting With Business Creation

Alternatively, Samuel decided to assist with the creation of a small business initiative as a way to become removed from the obligation to provide either employment in his business, or financial support on a continuous basis. Interestingly, he did so with a friend rather than a member of his family. Samuel was paying a great deal of money to a poor friend of the family, and wanted to find an alternative way to support him. This person had no employment or education, and they hung around the import/export place, continuously asking for money. So that he would stop bothering him, Samuel started paying the man essentially what amounted to a monthly salary, though it was significantly less than what he paid his other workers. This became too much to sustain, so only recently he provided the family friend with a large sum of money, around 300 euro, to start his own cell phone selling venture. If he is unsuccessful, he may return for more

money, but Samuel says he will no longer provide it since he gave him this opportunity. Samuel used first ‘employment’, then business creation as active strategies for removing himself from the position he found himself in previously of constantly being approached for funding.

4.4.3. Strategies Used Successfully, but Inability to Contribute Developmentally

For some of the respondents, they were successful in employing strategies to negotiate their financial success and social responsibility, but undermining actions of their families meant that they were limited in their ability to use these strategies to contribute developmentally. Kwame, for instance, employed successive strategies to support his family while remaining financially successful, only to feel he was being taken advantage of time and again. By the time he participated in the research project, providing financial support was no longer determined by how much money he could give feasibly; it rested on whether or not he personally wanted to continue supporting his family. Despite his efforts to send money from abroad and finance his cousins’ migration, when Kwame first returned to set up his embroidery business he was inundated with requests for money from family members in Kumasi. He stated that the women in his family were experiencing difficulties because they had husbands who were not taking good care of them and their children. At first, he provided a great deal of money for school fees, but soon realized he could not sustain this support since he was encountering his own financial problems with starting up the embroidery business. He then provided the women in his family with sewing machines so they could begin businesses. He was extremely frustrated to find no one was using them. They claimed they did not have the skills, but he discovered that two of the girls had finished sewing classes and still were not using the machines. Realizing that his family was acting dependently and taking advantage of his generosity, he cut off all support. He continued to give money to the older women in his family for medicine and daily living expenses, but would not give any money to the younger members, even for school fees and hospital expenses. When questioned about leaving them to face difficulties, he said those abroad would take care of them. He did not have to face the moral issue of denying support to those in real need because he had already employed the strategy of supporting others’ migration and sharing the social responsibility.

During the start up of the embroidery business, Kwame also used another business creation strategy to eliminate the demand for financial assistance. Kwame’s brother first approached him

and asked if he could work in the embroidery company. After Kwame's past experience of trying to run an import/export business with his brother, who stole from that venture repeatedly, Kwame was unwilling to take the risk in trusting his brother again. However, his brother kept approaching him with requests for financial assistance for his family. A year later Kwame bought him a small piece of land and 1,500 chickens to run his own poultry farm. When questioned as to why he would do this for his brother after being cheated repeatedly, he replied, "Because I don't like him to come and worry me... It is the culture in Ghana, he is your brother; you must help him." The farm had since gone bankrupt, but Kwame provided no further support, frustrated with their relationship and no longer feeling obliged to support him in any capacity. Essentially, after employing multiple strategies his relationships with his brother, and with his cousins in Kumasi, were strained, and this had a negative impact upon him personally. However, the rest of the family did not sanction him because he had provided support to the best of his ability. Furthermore, his moral obligation to make sure his family did not face real hardship was covered because those abroad were still sending home remittance money.

In summary, Mohamed, Abdul, Samuel, and Kwame's experiences all show that by taking measures to demonstrate to family and friends that financial support is being provided to the best of their ability, and by actively providing other forms of support, they are able to realize their personal goals while being absolved of further social responsibility. Even when they provided diminished financial assistance, they were not sanctioned socially because others within the family knew they were trying to act generously, and that they had been taken advantage of or the support they provided has been used unwisely. One could say they were successful since their businesses were doing well financially, and they had lived up to their social responsibility to the best of their ability, so could not be sanctioned socially. However, the respondents did not only provide this support so that they would not be sanctioned socially – they also provided it because they cared about those they were supporting. In this capacity, these strategies cannot always be used successfully, as offering employment in the business is risky for the migrant entrepreneur, and many business ventures fail, or were never undertaken initially.

4.5. Failure To Negotiate Financial Success and Social Support

Other respondents attempted to employ these strategies but were unable to do so, instead finding themselves unsuccessful in negotiating between their personal goals of achieving financial success and providing for their families. These respondents were unable to make their business financially successful enough within the Ghanaian economy to support the high level of needs they were faced with, and they did not have others who would share the social responsibility. For these respondents, pressure they experienced, and their desire to help those they cared about, meant that they sacrificed the financial success of their business to provide for their families. However, even when these individuals continued to provide significant social support, they were not always successful in avoiding social sanctioning. Giving financially is not just a monetary duty; it has emotional components that became extremely difficult for individuals to navigate. People give economically not only to provide for others out of obligation, but also to show love and emotional caring. When they express frustration and resentment about giving, the relationship with the family becomes fraught with stress and harsh feelings. They may continue to provide financial support, even at great hardship which places strain upon their business, while still feeling disconnected from their family and, in some cases, being sanctioned socially.

Out of the respondents, Samuel was perhaps the least successful in negotiating between establishing viable businesses, and supporting his family financially. He struggled between paying the high costs associated with running three faltering import/export businesses, and keeping up with the constant demands for support that he received. Almost all of his family members were living in Kumasi, with a few extended family members living in Accra. He claimed he did not go back to Kumasi often because he knew visiting would cost too much money. He said, "Living here in Accra is good because it gives me space. It is like I live in Europe." Samuel expressed sadness that his family complained about how they never saw him anymore, and that he did not want to visit them, but whenever he did all they wanted to talk about was money. During an interview, Samuel told me a story that helps to clarify the relationship he now holds with his family. One day his father showed up unexpectedly at the shop without calling. Because his father came from Kumasi and did not warn him he was coming, Samuel shouted at him in front of everyone, making a scene and embarrassing his father. Later, his father was sitting with him privately and expressed feeling hurt. He asked why

had he shouted at him like that, his own father. Samuel said he did this because they only come to him when they want money, so when they come to him, he sees them and thinks of all the stress and bills and taxes. It just made him upset to see his family. Samuel continued to provide financial support, but actively showed his family members resentment at the demands they placed upon him. A relationship had formed between him and his family where their interactions centered on requests for assistance, and what was left appeared to be mutual feelings of resentment and detachment. He appeared to be socially ostracized, and almost completely disconnected from the lives of his family. Contact was no longer kept with his nephews who also lived in Accra, and he claimed he hardly even saw his mother when she came to Accra to visit the rest of the family. He said sadly, "I'm out of the family."

Even given the tense, hurtful relationship that had formed between him and his family, Samuel did not discontinue his financial assistance. He is the eldest brother of a relatively low-income family, so he retained primary responsibility. Over the years, he had tried to employ the same strategies as other respondents to mitigate his level of social responsibility, but these efforts had not been successful enough to release him from the constant demands for financial assistance he faced. As mentioned previously, he first tried to strategically support his younger brothers' mechanics training in an effort to share the financial burden. One of his brothers became successful, with his own mechanics shop, and he took an active role in caring for their mother. Samuel claimed that his other brother became a trained mechanic as well, but did not do well for himself, continuing to work for someone else and drinking excessively. During one of our interviews this same brother came from Kumasi to ask for help in paying for his child's hospital fees. In front of this brother Samuel said to me, "They only come when they want money. Like even this guy here who has just now showed up. If I give to him, then I have to give to his sister and mother and..." The young man just sat in a chair next to us, looking dejected. Since he had used previous assistance unwisely, it may have been possible for Samuel to cut off support to him. However, this was not a viable option, as it would mean leaving his niece or nephew without the health care they need. Instead, he was provided with the money, while Samuel expressed his frustration openly.

Samuel's case also underscores the importance of understanding each person's unique family dynamic when talking about the success, or failure, of strategies negotiating social responsibility. For instance, in addition to his brother who owns a mechanics shop, Samuel's family is now

composed of other individuals who could also be considered financially successful enough to share some of the responsibility for family members in need. Though he comes from a family that would not be considered high income, he has a sister who went abroad and now runs a small shop back in Kumasi, and three other sisters who still live abroad, sending home remittance money. It would appear that Samuel would be able to deny financial support, in some instances, or at least decrease the level of financial support he is obligated to provide because other family members could take on the responsibility. Interestingly, Samuel's case shows that whether other siblings will take on this responsibility depends heavily on the dynamics within the family. The siblings do share financial responsibility for his mother, whom he said is cared for completely and doing well. Samuel built her a house back in Kumasi, and the rest of the siblings also contribute to her daily needs. However, Samuel is the only person covering his father's needs because his parents are divorced, and the other siblings refuse to support their father financially. Samuel alone provided for many of his father's daily expenses, and gave him money for health care regularly. Here, the dynamic behind the provision of support, or the lack of it, is stated quite clearly. In other instances, it was more difficult to assess. For example, in the case of the brother who approached Samuel because he could not pay for the hospital fees for his own family, it is unclear if other siblings would have stepped in to offer money if Samuel had denied him the assistance. Further, it is unclear whether or not this same individual has approached multiple members of the family, taking advantage of their generosity. When assessing the strategy of sharing social responsibility with other successful members of the family, additional research needs to be conducted to understand in greater depth the nature of siblings' relationships, and the dynamics involved in negotiating this shared responsibility.

In Samuel's case, while his siblings provided some support in caring for the family, it did not appear to be strong enough to lessen the burden on him personally. Rather, he was struggling to keep up with his obligations while also enabling his faltering businesses to run successfully. In fact, though it was clear that Samuel preferred to discuss the pressure he felt and the difficulties, throughout observation and questioning it became apparent that Samuel made significant financial contributions to his family. When asked how much he had given in the past month to specific categories, he estimates that he has provided around 50 euro for medicine and other health care expenses to friends, family, and strangers. In the past year he also financed six relatives' educations, paying school fees for three attending primary school and another three attending secondary. In addition, he gave small amounts of money periodically to help people

pay for their rent, and to assist them in covering the costs associated with migrating. When asked how he decided whom to support and whom to deny, he replied that he gives to people whom he thinks are hard workers, because those who are not hard workers will waste or squander the money. However, it appeared that, in actuality, he did not retain this level of control over his giving. When family members arrived in Accra to make requests, he provided the support they requested; though frustrated, he continued giving. Confronted with numerous requests from friends and family, Samuel faced great difficulty in juggling his personal goals to see his businesses succeed with the support he provided socially. Sadly, he was neither able to remain in good social standing, nor to focus his financial resources on his businesses. Instead, he was simply discouraged, and is now considering re-emigrating.

These cases underscore that even when utilizing strategies to the best of their ability, the respondents were not always successful in fulfilling their personal desires to help others they cared for, and to create financially successful businesses. Kwame's case highlights the fact that it is not the respondents' actions alone, and their ability to support financially, which determine developmental impact. Also important are the actions of members of the social network. Samuel's case goes further in underlying an inherent incapacity some migrant entrepreneurs face in their ability to negotiate providing social support to their friends and families while remaining financially successful enough to operate viable businesses within the Ghanaian economy.

4.6. Conclusion

The above respondents' cases highlight the multiple strategies migrant entrepreneurs used to provide their friends and families with the support they needed, while shifting away from providing continuous financial assistance. The differentiation respondents faced in their ability to use these strategies successfully depending on the options available. Determining factors found to be influential where the income levels of their families, the strategies they had employed previously upon migrating, the real level of profit their businesses were experiencing, and undermining or supportive actions of the members of the social network. Given the right circumstances, each of the three strategies had the potential to be highly successful, though some presented less risk, and could be utilized by a greater number of respondents more effectively. In particular, combining the two strategies of supporting other family members' migration and of

providing a relatively low amount of money for the creation of a small-scale business appears to hold the greatest potential for negotiating financial success and social responsibility. Having a family member abroad reduces the financial burden placed on the migrant entrepreneur, allowing them to share the responsibility in much the same way those from higher income families can do. Combining this activity with providing money to family members remaining in Ghana for the creation of a small-scale business appears to reduce the risk migrant entrepreneurs face by employing family. This family member then has another livelihood to draw upon through this small-scale business, and, hopefully, they can support themselves and their families without approaching the migrant entrepreneur for more money. If they are unsuccessful with this small-scale initiative, the migrant entrepreneur is absolved of further social responsibility and will not be sanctioned socially if they deny further support. At the same time, the family members abroad can continue to make sure their basic needs are cared for so the migrant entrepreneur is not placed in the position of watching those they care for suffer without basic necessities.

The greatest factor influencing the respondents' failure to negotiate between financial success and social responsibility was their inability to make their business financially successful within the Ghanaian economy, combined with their inability to rely on others to provide the support members of their social network needed. While using businesses profits to provide social support influences the ability to become financially successful within the economy, as highlighted in the previous chapter, other factors were found to be more influential, such as cheating and stealing resulting from the inability to trust members of the social network involved in the business enterprise. If the business is not doing well enough financially to provide the support to others that is needed, migrant entrepreneurs must be able to rely on others to assist with providing it. The ability to rely on others is dependent partly on whether the migrant entrepreneur has other family members in Ghana or abroad who have the ability to assist, and partly on whether those who have the ability are willing to share the responsibility. Those who do not have either are unable to use these strategies. This research study has helped to provide greater insight into how higher income individuals, and those with lower and middle incomes who use supported migration as a strategy, negotiate their social support by sharing the responsibility. Additional research is needed to explore more deeply the dynamics involved between siblings, and how this shared responsibility is negotiated in practice. In Samuel's case, he had family members abroad, but he was not the one who assisted them to migrate, so there was no debt of reciprocity, and the particular dynamics in his family meant that the burden of

support fell upon him primarily. In addition, in order for the strategy of sharing the burden of social responsibility to work successfully, those supported must become successful financially.

While almost all the respondents encountered some level of difficulty in negotiating financial success and social responsibility, by the time of my study most were able to use these strategies to provide for the basic needs of those they cared about, while achieving financial stability for their business enterprises. However, money for activities which enhanced members of their social networks' capacity to support themselves, such as support for business creation, for migrating, and for obtaining higher education, was provided at a greatly diminished capacity. Some of the respondents were able to provide extensive support to others and did not feel the need to deny requests for these forms of assistance, but it was clear that most felt unable to provide the full support requested from them currently, and were hoping to expand their businesses in order to do so in the future. Their ability to move beyond providing for people's basic necessities towards using their profit to support others in a greater capacity was highly dependent on their ability to make their business more financially successful within the Ghanaian economy. As highlighted previously in Chapter Three, the respondents' financial success depended on their ability to involve trustworthy individuals in their enterprises, while successfully employing business strategies that enabled them to reduce their risks and expand their enterprises. In attempts to do so, the respondents were running multiple businesses simultaneously, they were generating additional income from import/export activities, and they were strategically making decisions concerning whom to involve in their business enterprises. As most of the migrants returned to start their businesses in their country of origin fairly recently, their businesses were still recovering from the initial impediments they faced, and many of the respondents had only recently begun employing new strategies. It remains to be seen if this decreased financial support was temporary, and the strategies they were employing would eventually make them financially successful enough to support in a greater capacity, or if they will become more successful by using these strategies, but still remain unable to support their friends and family at higher levels than they did while living abroad. If the later is the case, it may yet mean that they were successful in meeting their personal goals of returning to their country of origin and creating a viable livelihood for themselves and their friends and family's basic needs, but their ability to use their businesses to have multiplier effects developmentally is reduced significantly.

Chapter Five: Conclusions

5.1. Summary of Findings

In conclusion, my research study findings indicate that Ghanaian migrants' establishment of business enterprises in their home country holds the potential to have a beneficial impact developmentally upon both the migrant entrepreneurs and members of their social network. This study contributes to a greater understanding of the developmental impact of Ghanaian migrants' business enterprises in their country of origin by highlighting the ways in which the respondents were able to establish and operate their business enterprises in Ghana, by presenting the various factors that supported and undermined the ability of this strategy to contribute developmentally, and by exploring the strategies the respondents used to negotiate between their both complimentary and contradictory goals of realizing their own personal success and supporting members of their social network developmentally.

In Chapter Two, we saw how the migrant entrepreneurs were able to use migration to realize their personal goals of forming businesses in their home country, and the significant multiplier effects that resulted from using this livelihood strategy. This strategy benefited the migrant entrepreneurs developmentally by providing them with the opportunity to experience life in another country, to acquire increased business skills through formal training and direct experience, and to obtain the money, material items, and social connections they needed to establish businesses in their home country. It also contributed to the respondents' ability to obtain satisfaction with the life they were living by enabling many of them to realize their personal goals of living their lives within their home country, free from discrimination and at ease culturally, and by providing them with feelings of self-worth and self-satisfaction resulting from their roles as businessmen within Ghanaian society. On the social network level, using migration and the creation of businesses in Ghana also had a beneficial impact upon the entrepreneurs' friends, families, and employees, and upon the individuals the members of their social network were supporting.

The research study exposed four ways in which the multiplier effects resulting from this strategy impacted the members of the social network developmentally. First, providing money for basic

necessities such as food, health care and education meant that these individuals receiving support were able to live healthier lives where they had greater access to opportunities. Second, providing employment through the creation of businesses enabled the workers to support the needs of their own families, to utilize their existing job skills and education and gain on the job experience that increased their human capabilities, and to train others within the country. While some of the salaries were insufficient to meet all of their workers' needs, these individuals were being provided stable employment within an unstable economy. Third, both migration and business creation enabled the respondents to provide critical resources that acted as social safety nets in times of difficulty. Fourth, providing assistance with family members' migration and business creation contributed towards the socio-economic development of the larger family. This last finding has implications for cyclical nature of using migration and migrants' business creation as a livelihood strategy. Within the study, the respondents indicated that family members they had assisted to migrate either 1) stayed abroad, sending home remittance money to members of the family that was used for basic needs, among other things, and to invest in other family members' migration and other productive activities, or 2) returned to Ghana and formed businesses within the country, as the entrepreneurs had also done, thereby offering employment and/or financial support to workers, friends and members of the family. Both strategies begin the cycle again by supporting the development process of others within the country and continuing to invest in the future financial and social well being of their family.

The research findings concerning the multiplier effects of respondents' activities have important implications for our understanding of who within the sending country benefits from using migration and migrants' business creation as strategies. Criticism stating that migration is not developmental for the poor because it is largely the middle class individuals that have the ability to migrate is not always based on a complete understanding of what being middle income means within that respective society. There is a commonly held assumption that middle class families are composed of those doing relatively well within society, and lower class families are composed of the poor members of society who have great need. This is much the way it would be within a Western society. This understanding leads to the logical conclusion that if a strategy, such as migration, is utilized by middle class individuals but is not accessible by the lower income then it supports the overall well-being of middle class individuals and their families, while increasing income inequality and not benefiting the poor who are truly facing difficulties. However, involved in this reasoning are misconceptions concerning the wealth composition of a

family in a country such as Ghana's, as well as misconceptions about the access to resources and opportunities middle class individuals have to draw upon within similarly structured societies.

The research respondents who participated in my study belonged to extended families that were comprised of both middle and lower income individuals, where those who were better off supported the less fortunate within their families. Because the kinship network functions as a social safety net, even respondents who were middle class were often supporting extended family members who were considered lower class within society. The multiplier effect of their migration and business creation meant that low-income individuals who compromised the respondent's nuclear and extended family still benefited from their activities. These research findings underscore the need for criticism concerning migration's developmental impact to be based upon an accurate understanding of the range of income levels present within an extended family, and of the way that extended family operates in their provision of support within that respective society.

Criticism of middle class migration must also have an accurate understanding of what being middle class means within each respective society. This criticism sometimes overstates the amount of resources and level of opportunity being middle-income provides within a country such as Ghana. Respondents who self-identified as being middle class before migrating still experienced a lack of the resources they needed to access opportunities and pursue the lives they valued living. For instance, though seven out of the nine respondents had secondary education, which makes them more highly educated than the majority of the Ghanaian population,⁹ need cannot only be based on relativity. While one can argue that inequality of income and opportunity create feelings of relative deprivation which can have real consequences for other members of the country, whether an individual is doing better or worse than the majority of the people in their country cannot be used as the only basis for assessing need. When the majority of the population does not have access to sufficient financial resources, or access to real opportunities, relative deprivation and income inequality are extremely important, but so is improving conditions for these members of society. Even being middle class within Ghanaian society does not mean that one has the ability to pursue even basic goals such as sending all of ones children to good secondary schools, nor does it enable many to further their own education

⁹ According to the World Bank (2003), 62% of the school age population is enrolled in primary school, while only 32% is enrolled in secondary.

and to pursue a livelihood that has meaning, both activities that enable an individual to achieve personal satisfaction. Using business creation in their country of origin as a strategy enabled the migrant entrepreneurs to provide significant levels of support to others less fortunate within the country, and to overcome the constraints they themselves were facing in accessing the resources and the opportunities they needed.

However, the developmental potential of these livelihood strategies was not realized for every respondent. A few of the migrant entrepreneurs appeared to have been, in fact, negatively impacted developmentally, with feelings of stress and frustration dominating their experiences, and dissatisfaction and social isolation the unfortunate outcome of utilizing these strategies. The developmental impact was also not found to be uniform for the respondents and members of their social network. The migrant entrepreneur may have been impacted negatively from feelings of familial pressure, for instance, while their support meant that their family was benefiting directly by receiving money. Conversely, in some instances the livelihood strategies actually had negative affects upon members of their social network, with remittance money and assistance leading to dependency, and the relationship formed between the migrant entrepreneur and members of their social network lead to feelings of relative deprivation and dissatisfaction with the lives they were living.

In Chapter Three, we saw which factors contributed to the success and failure of the migrants' use of business creation in their country of origin as a livelihood strategy. Within the study, lying about services granted and the stealing of merchandise or money was most often linked with the present difficulties, and past failures, of the respondents' business enterprises. The research study found three primary reasons to be determinant of why members of migrants' social network engaged in deliberately undermining activities. First, an environment open for cheating and stealing was created because the strategies found to be most successful within Ghanaian economy resulted in an inability to oversee business partners' and employees' activities. Respondents were running multiple businesses and traveling back and forth between Ghana and The Netherlands for import/export businesses in order to reduce their risks, expand their infrastructure, and provide greater financial support and employment opportunities to their families. When undertaken successfully, respondents were highly effective in utilizing these strategies to enable their businesses to become financially viable within the Ghanaian economy. However, using these strategies meant that at any given time the respondent had to be away from

a business they were operating, either because they were in another part of the city overseeing activities within their second, or third, business, or because they were out of the country. Second, the respondents' difficulty in depending on others was greatly increased by their role as returning migrants in their country of origin. It appears that friends, family members, and other employees might have been more likely to steal from or cheat entrepreneurs who had migrated due to their perceptions of the migrant's wealth and opportunities. Third, these actions occurred not only because these individuals felt deprived in relation to the respondent, but also because many of them were experiencing real poverty, and their employment was not providing enough for them to meet their needs.

Migrant entrepreneurs had to continuously juggle between contradictory personal goals and opposing strategies. The strategies that best enabled the entrepreneurs to overcome risks within the Ghanaian economy were found to be the same ones that were the most risky socially. Their desire to support those less fortunate meant that their businesses were put at greater risk of undermining activities, and their desire to relieve the pressure to support their family with employment rather than giving continuously meant that their business might eventually be jeopardized because they did not have the ability to sanction these family members, in which case they would no longer be able to operate their business, or support anyone developmentally. Given the precarious economic and social circumstances they faced, having a social network composed of trustworthy people was found to be the most important factor in whether migrant entrepreneurs were able to run their business successfully. These findings are important, as the discussion on the high failure rates of small businesses within Ghana focuses almost exclusively on access to credit and enhanced capabilities, without recognizing the critical role that having a trustworthy social network plays operating a viable business within the country.

This situation is complicated by the fact that a number of the respondents created these businesses to assist their families, yet family members engaged in the same deliberately undermining activities as others, but entrepreneurs were left with a lack of sanctioning capacity. Providing employment allowed them to provide for many of their family members' needs, but it left them more vulnerable, and could lead to the failure of the business initiative. Respondents who decided against providing support to their family using employment in their businesses turned instead to other strategies to provide this support that were less risky. However, supporting others financially instead of through employment also presents risks. If the business

is not yet financially successfully, using the profit to provide this social support may place undue pressure on the initiative, potentially even capsizing the venture and making it unable to support either the migrant entrepreneur or the members of their social network they had been supporting.

In Chapter Four, we saw how the research respondents overcame obstacles by implementing strategies to negotiate between their business's financial success and their social responsibility. In addition to providing employment, or giving money directly, respondents also shared the responsibility with other family members, supported migratory activities to increase the financial resources within the family, and offered income-generating opportunities by providing financial and physical capital for business creation. These strategies enabled the respondents to mitigate the amount of money they provided to their friends and family so that their businesses could grow financially, while still providing enough resources to cover these individual's needs, and to fulfill their own social responsibility.

Three key conclusions can be drawn from the research findings. These key findings relate to 1) the necessity of development organizations assisting migrant entrepreneurs with establishing viable businesses in their country of origin to recognize the economic and social constraints these migrant entrepreneurs are facing, 2) the recognition and support which development organizations should provide to assist migrant entrepreneurs in becoming more effective using the strategies they are already utilizing successfully, and 3) the multiplier effects of migration and business creation in the country of origin, and the implications of policies which restrict access to entry into other countries.

5.2. Recognition of Constraints

The first conclusion which can be drawn from my research findings is that development programs which are established to support migrant entrepreneurs in operating viable businesses within their home countries must recognize obstacles their clients are facing, and support them in overcoming these constraints. The support provided by development organizations like IntEnt, such as access to credit and capacity building, is important, and programs like this should be supported and replicated. Without access to bank loans, some of the respondents who participated in the IntEnt development program may not have been able to generate enough

financial capital to create the services and manufacturing businesses they created that help to move the country forward developmentally. Individuals also might not have undertaken the market research to form realistic businesses, or created the business plans they needed. However, development organizations must also pay attention to issues of trust and social responsibility instead of focusing solely on credit and capabilities. The way that members of the migrant entrepreneurs' social networks can undermine the success of business initiatives must be recognized and addressed within development organizations' assistance programs. So must their clients' roles as members of the social network, and the multiple, sometimes competing goals the migrant entrepreneurs holds to obtain financial success within their business and to provide support to their families. The strategies they are successfully utilizing to negotiate constraints, maximize profit, and realize their personal and familial goals should be supported by development organizations so that the greatest developmental impact of using businesses creation as a livelihood strategy can be reached.

The first practical step development organizations should take is to discuss possible undermining actions which may occur from members of the social network with their clients before the business is established, and then after the business has been operating within the home country. IntEnt provided this support only peripherally by offering the services of a local business advisor, a former return migrant who had established a business of his own in Ghana, and who gave advice to the migrant entrepreneurs not to employ family members due to his own experiences with familial difficulties. However, this issue was not addressed centrally within the program. When discussing the problems the migrant entrepreneurs faced, IntEnt's local coordinator, whose role was to support the entrepreneurs once they had established businesses within the country, talked solely of problems with capacity building and lack of business skills, rather than recognizing the other social constraints IntEnt's clients were negotiating. In fairness, the respondents did not discuss these issues with the local coordinator, as their interactions focused solely upon economic constraints they were facing. This is a problem for development organizations who are established to support migrant entrepreneurs in creating financially viable businesses, as it renders these organizations largely unable to support the entrepreneurs in negotiating what has proven to be, for some, the greatest constraints they face, and, when negotiated successfully, for others their greatest asset. This issue should be addressed centrally within the development program, and throughout the various stages of business creation abroad and implementation in the home country.

Furthermore, simply warning individuals that they may be more financially successful if they do not employ their family members is not enough, as it does not offer a solution to the problems faced by those who want to help their families. Both the undermining actions and the employment provided are based upon familial dynamics and upon real economic needs. Development agencies like IntEnt must recognize the way in which the migrant entrepreneur they are assisting is embedded within a kinship network, and they must acknowledge the multiple goals this individual holds simultaneously. Personal financial success, being able to provide support for friends and family, and social status may each be important to this individual, and each individual has their own way of defining success based on their personal goals and the needs of their friends and families.

One approach that development organizations could employ would be to review the strategies that past participants in their programs have been using successfully, and to help future participants to use these same strategies. For instance, when assisting with the creation of a business plan while the migrant entrepreneur is still abroad, the development organization might suggest putting aside a small amount of money to be provided to a family member who depends on the migrant heavily for financial support, and who is in a key position to share financial responsibility for other members of the family. If this individual is helped to migrate, or to start a small venture in Ghana, then they might not rely as heavily, if at all, on the migrant entrepreneur, and they can assist with providing support to the rest of the family. However, this strategy is dependent on two things. First, the financial success of that individual once abroad, or once they have created the business venture is critical for this strategy to succeed. Second, the development organization must not have a specific agenda to assist individuals to return as part of a larger strategy to reduce the immigrant population within the country, in which case supported migration would be against their policies. The small business created may be against their policies as well if they are mandated only to support productive business, as defined more narrowly, and not to assist in the creation of non-productive businesses in any capacity. Supporting migrant entrepreneurs in creating a broader base of financial security is only one strategy, and it is certainly not the only, that development agencies can use to assist migrant entrepreneurs. Internal discussions must be conducted within each agency to determine how best to assist clients with managing their personal goals and their responsibility to members of their immediate and extended families.

5.3. Support of Successful Strategies

The second conclusion to be drawn from the research findings is that development programs must assist migrant entrepreneurs in the utilization of strategies for their business's financial success that are proving to be most beneficial. Pressure should not be placed upon migrant entrepreneurs to focus their financial resources solely on the business the development organization is assisting them to create instead of running multiple businesses simultaneously, or running import/export businesses to diversify financial risk and make more money. While development organizations may wish to advise against the use of these strategies because of the high level of risk involved, those who were able to overcome these risks were successful in using these strategies to expand their businesses initiatives and to make their businesses more financially stable within the Ghanaian economy. Furthermore, simply advising against the use of these strategies is not sufficient, as migrant entrepreneurs may use them anyways, and then hide both difficulties and successes they have experienced. Again, this renders the development organizations unable to fully support their clients in overcoming obstacles to financial viability, and it leaves them unaware of the ways in which migrant entrepreneurs are succeeding in creating viable businesses within the local economy. It would be more helpful if development agencies assisted their clients with figuring out how to best overcome the high level of risks associated with utilizing these strategies. For instance, they might help their clients to create plans regarding exactly how they could operate multiple businesses simultaneously, such as implementing safeguards within the accounting system to make sure their employees and business partners do not steal from them, or, if they do steal, their activities are recognized and stopped quickly enough that the whole business is not hurt irrevocably. They might also help their clients to create a business plan that includes offering additional compensation to employees, such as bonuses and small amounts of money for daily expenses, so their workers are better supported financially. Again, supporting these activities is dependent on the development agency's mandate, and how they choose to use their resources. Even if they do not choose to fund these activities specifically, they should acknowledge the possibility that the strategies might be used, and help them make these strategies viable.

5.4. Consequences of Migration Policies

Finally, an understanding of the multiplier effect migration can have developmentally has important implications regarding policy formation. Government policies that restrict access to entry obstruct individuals' ability to use migration as a livelihood strategy, and can have consequences for others living within the sending country. The most crucial opportunity all of the respondents in my study were provided with was the opportunity to migrate abroad and secure employment in a Western country. Policies that target low-skilled economic migrants render these individuals who may be best situated to address issues of poverty and contribute to the socio-economic development of their families largely unable to pursue this potentially beneficial livelihood strategy. Under a criterion of only accepting high skilled and high income migrants, most of the respondents who participated in my study would have been unable to go to The Netherlands legally. Additionally, with the changing laws around access of entry for asylum seekers, those who migrated as refugees might have also been unable to live in The Netherlands and utilize these livelihood strategies. For Osei, one can only speculate what would have happened to his family during the famine without access to the critical life support he provided by sending home remittance money. While there are a host of reasons why changing immigration policies are being implemented in countries such as The Netherlands, many of which have to do with the government's response to the economic and social concerns of their citizens, there are profound consequences of these policies on poor people living within developing countries.

5.5. Conclusion

In conclusion, the research findings from this study provide greater understanding concerning what strategies migrant entrepreneurs and members of their social network are engaged in, how and why they undertake these activities, and the developmental impact of these activities. The research study is too small in scale to prove or disprove theories concerning whether migration and migrant entrepreneurs' business creation have an overall developmental or detrimental impact upon individuals within the sending country. Rather, this study contributes to greater understanding for academics and development practitioners by providing insight into some of the potential developmental impacts of migrant-owned businesses.

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