

Angola: A Study of the Impact of Remittances from Portugal and South Africa

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Angola: A Study of the Impact of Remittances from Portugal and South Africa

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IOM Pretoria and Development Workshop

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LIST OF ACRONYMS

AfDB	– African Development Bank
BNA	– Banco Nacional de Angola
COMESA	– Common Market for Eastern and Southern Africa
DFID	– Department for International Development (United Kingdom)
DRC	– Democratic Republic of the Congo
DW	– Development Workshop (NGO)
ECP	– Estratégia de Combate à Pobreza (Angola)
EU	– European Union
FAO	– Food and Agriculture Organization of the United Nations
GDP	– Gross domestic product
HIV / AIDS	– Human Immunodeficiency Virus /Acquired Immunodeficiency Syndrome
IDA	– International Development Association
IDPs	– Internally Displaced Persons
IFAD	– International Fund for Agricultural Development
IMF	– International Monetary Fund
IOM	– International Organization for Migration
IAECAE	– Institute Providing Support to Angolan Communities Abroad (Angola)
ISN	– Interim Strategy Note
LMA	– Lisbon Metropolitan Area
MAPESS	– Ministry of Public Administration, Employment and Social Security (Angola)
MED	– Ministry of Education (Angola)
MDGs	– Millennium Development Goals
MINARS	– Ministry of Assistance and Social Reinsertion (Angola)
MINSÁ	– Ministry of Health (Angola)
NGO	– Non-governmental organization
OECD	– Organisation for Economic Co-operation and Development
PALOP	– Países Africanos de Língua Oficial Portuguesa
SADC	– Southern African Development Community
SAMP	– Southern African Migration Project
SEF	– Serviço de Estrangeiros e Fronteiras (Portugal)
UNDP	– United Nations Development Programme
UNHCR	– United Nations High Commissioner for Refugees

UNICEF	–	United Nations Children’s Fund
USAID	–	United States Agency for International Development
VolRep	–	Voluntary Repatriation
WB	–	World Bank

1. INTRODUCTION

In 2005, there were some 191 million international migrants, of which 86 million were labour migrants (OSCE, IOM and ILO, 2006). Over the last five years, the number of international migrants increased by 9 per cent (DESA, 2008) and it is expected to reach 214 million by 2010, despite the global economic downturn. More than 16 million Africans are migrants, and 13 million Africans are internally displaced persons (IDPs). Moreover, one in four African countries are or were afflicted by armed conflict and many more suffer from a deteriorating environmental, climatic and natural resources base (UN-INSTRAW and SAIIA, 2007: 10). It is believed that 69 per cent of total migration flows from sub-Saharan Africa occur within the region (Ratha and Shaw, 2007: 7). Social, family, ethnic and religious networks, as well as cultural proximity, seasonal migration opportunities, and civil conflicts are the most common determinants of South-South migration. Almost 80 per cent of South-South migration takes place between countries with contiguous borders, mostly between countries where differences of income are relatively small (Ratha and Shaw, 2007).

Along with migration, the volume of migrant remittances to developing countries has been growing at a considerable pace. In some cases, remittances have become an important and stable source of external finance; they have allowed some countries to gain international credit worthiness or maintain macroeconomic stability (OSCE, IOM and ILO, 2006). In this context, there is a renewed interest among academics, civil society actors, and the international community, among others, on the potential impacts that remittances could have on poverty alleviation and economic and social development. Most of the time, remittances constitute a supplementary source of income for recipients. Remittances are frequently utilized to afford basic needs and services such as food, health care and education, to pay off loans, improve housing conditions, and make productive investments. Such consumptive or productive investments usually stimulate local markets. Nevertheless, remittances' development impacts are highly contextualized and depend also upon the opportunities offered by specific political and legal frameworks. This is why it is fundamental to understand remittances' characteristics, their impacts on beneficiaries and the political and legislative frameworks in which such transfers occur, in order to create enabling environments for remittances and harness their potential developmental impacts.

For the purpose of better understanding the overall characteristics of remittance flows from the Angolan diaspora in Portugal and South Africa, and their use and impact in Angola, this study was commissioned by the International Organization for Migration (IOM), in collaboration with the Angolan Ministry of Foreign Affairs (MIREX), through the *Institute Providing Support to Angolan Communities Abroad* (IAECAE), and our NGO partner, Development Workshop (DW).

The study aimed to understand the characteristics of pecuniary remittances from Portugal and South Africa, including the frequency and longevity of such flows, the preferred transfer channels and legislative frameworks. The study also inquires into remittances' utilization and impacts at the household level in Angola, in anticipation of future initiatives to enhance the potential development impacts of remittances in the country.

1.1 Definition of remittances

For the purpose of the study, remittances are broadly defined as the monetary transfers made by migrants to their country of origin or the financial flows associated with migration.¹ Most of the time, these are personal cash transfers from a migrant to a relative in the country of origin, as well as funds donated, deposited or invested by migrants in the country of origin (OSCE, IOM and ILO, 2006). However, to the eyes of many experts and institutions, financial transfers are but one form of remittances. Some scholars believe that the definition of remittances could be further broadened to include not only the transfer of funds and goods, but also the transfer of skills and technology, ideas and attitudes. Peggy Levitt, for instance, introduced the concept of “social remittances” in 2001, to refer to exchanges of ideas, behaviours and social capital flows between host and sending-country communities. This study, however, focuses only on cross-border financial remittances from Portugal and South Africa to Angola, with modest reference to the transfer of in-kind goods and pecuniary remittances within Angola.

1.2 Purpose and specific objectives of the study

The aim of this initiative was to collect, analyse and present information about migrant remittances from Portugal and South Africa to Angola, and their use by the beneficiaries in Angola. The analysis includes a study of the impacts of remittances on migrant-sending households, and documents some policies and practices affecting remittance flows between Portugal, South Africa and Angola. The specific objectives of the study include the following:

1. Assess the remittance behaviour of Angolans in Portugal and South Africa and the characteristics of their flows.
2. Create a socio-economic profile of the Angolan diaspora in Portugal and South Africa and assess the degree and form of organization, leadership and transnational engagement among this population.

3. Examine the use and impact of remittances from Portugal and South Africa on migrant-sending households in Angola.
4. Describe and assess the legal and financial frameworks and mechanisms in place in Angola, Portugal and South Africa that enhance or inhibit remittance flows and investments.
5. Develop strategies to enhance the development impact of remittances in Angola.

The mandate of this study excludes any attempt to measure the size of remittance inflows to Angola.

1.3 Methodology

The study was conducted through collaboration of three research teams based in Angola, Portugal and South Africa. Portugal (Lisbon Metropolitan Area, hereafter LMA) was chosen as an appropriate research field owing to the long-standing historical and cultural links between this country and Angola, which have contributed to the fact that Portugal hosts one of the biggest Angolan diaspora groups. South Africa, on the other hand, is the most developed country in the Southern African Development Community (SADC) that attracts many Angolan migrants.

The research was based on a combination of data collection methods including relevant literature review, a household survey conducted in Angola and individual interviews with Angolan migrants living in South Africa and Portugal. Data collection tools had already been tested by IOM in other settings (Serbia–Switzerland) and were adapted to the specific contexts of the countries of interest with the help of IOM Luanda and DW in Angola, and IOM missions in Lisbon and Pretoria. Several focus group discussions were also held in Angola, Portugal and South Africa to verify and complement the findings of individual interviews. Data were collected over a three-month period, from December 2008 to February 2009, in several migrant-sending areas of Angola (Huambo, Luanda, Luena and Menongue), as well as in LMA in Portugal, and Cape Town in South Africa, which both have a high concentration of Angolan immigrant communities.

In Angola, IOM worked in partnership with DW to conduct face-to-face interviews with the heads of 404 migrant-sending/remittance-receiving households with 501 migrant relatives living abroad, some residing in Portugal or South Africa. Households were randomly selected and were included in the sample only if they had a migrant relative. Simultaneously, IOM Lisbon and IOM Pretoria organized 423 interviews with Angolan migrants (223 in Cape Town and 200 in LMA), using the same questionnaire.

Interviewees were randomly selected in both countries, but only respondents who sent remittances in the 12 months preceding the interview were considered in the samples.

Moreover, focus group discussions were used to generate additional data to complement the survey findings. Two focus group discussions were held in South Africa, with a total of 22 migrants; one focus group discussion was held with six heads of migrant-sending/remittance-receiving households in Luanda, and a focus group was held in Portugal with seven migrants living in LMA.

Data deficiencies

Generally speaking, accurate statistics and reliable data on migration and remittances are difficult to obtain. Data deficiencies often result from a lack of official data and relevant empirical work (De Haas and Bakewell, 2007), while existing data are incomplete and of poor quality. Concepts, definitions, sampling and classification systems used in national surveys are often inadequate and hardly ever allow cross-country comparison. In some cases, when migration data exist, it is rarely disaggregated by age, gender or level of qualification. The absence of appropriate monitoring systems and the challenge of recording undocumented migration and remittance flows add to the problem of keeping reliable statistics. In addition, international migration flows are increasing, and it is becoming more and more difficult to measure these flows, particularly in the case of temporary and circular migration. All of the above difficulties, therefore, pose major challenges to using the available information for analysis, comparison and policy development.²

In Angola, in particular, after so many years of civil conflict, statistics, data collection, record-keeping and monitoring systems had been severely affected, and this left the country with a dearth of reliable social, economic and demographic indicators. The lack of data (national or sectoral) limits our understanding of the overall migration patterns and remittance flows to the country. This study is a first step to understanding remittances' overall characteristics in the specific bilateral corridors that involve Portugal and South Africa. The study intends to use the results of the survey to identify research gaps and give direction on the design of future interventions or projects that could harness remittances' development impacts in the country.

Moreover, it is worth recognizing that the study findings may hold a certain degree of subjectivity inherent to any survey. People may be reluctant to disclose information that they perceive as private or suspicious, for instance, details about income, monetary transfers, or information related to their family, migratory status, political affiliations, etc. These feelings may result in a number of biases and omissions from respondents

when addressing specific survey questions. DW reports: “In our field encounters, we have a general feeling that people would not openly discuss money matters to strangers. It’s a sensitive subject to them. There are a lot of them who do not wish to answer the particular question about incomes” (DW, 2008). Focus group discussions in Portugal and South Africa revealed that participants were suspicious about the research and in some cases, they decided beforehand to withhold information. Therefore, findings must always be interpreted with caution.

Nevertheless, the survey and interview findings have allowed us to gain significant knowledge on the overall characteristics of migration dynamics between Angola and Portugal, and Angola and South Africa, as well as a better understanding of a migrants’ profile and the characteristics of financial remittance flows from the Angolan diaspora in the referred countries.

1.4 Structure of the document

This document is divided into eight sections, including the Introduction. Section 2 presents an overview of the economic and social context of Angola. The context of migration from Angola to Portugal and South Africa is described in Section 3. Sections 4 and 5 present two of the major determinants of remittance behaviour, namely the sociodemographic characteristics and employment and income situation of Angolan senders living in Portugal and South Africa, and the characteristics of migrant-sending/remittance-recipient households in Angola. Section 6 complements the overall profile of Angolan migrants in Portugal and South Africa by analysing the interviewees’ degree of organization, transnational engagement and future projects. Section 7 presents the study findings concerning the overall characteristics of migrant remittances from Portugal and South Africa to Angola, including transfer channels, legislative frameworks, and remittances’ utilization and impacts in receiving households in Angola. Section 8 concludes with major recommendations to harness remittances’ development impacts in Angola.

All figures and tables presented in this report are the author’s own elaboration based on research findings, unless otherwise indicated.

1.5 Summary of findings and recommendations

Long-standing relationships established since the colonial period between Angola and Portugal, the evolution of the intra-SADC migration dynamic, and the consequences of the armed conflict in Angola provide the context for Angolan

migration flows to Portugal and South Africa. The most intensive period of emigration is reported during the 1990s. In Portugal, the main stated motivating factors behind emigration decisions comprise violence and war, economic hardship, studies, and the search for new opportunities. In South Africa, political reasons, violence and war, and the search for new opportunities were cited as the main factors motivating emigration. Cultural and linguistic proximity, and the existence of social networks in Portugal, made this country a suitable destination for many Angolans, who were admitted into Portugal under tourist visas and now have become permanent and temporary residents, or citizens. Geographical proximity played a key role in the choice of South Africa as a country of destination, especially after the end of apartheid. Nearly all interviewees were admitted into South Africa as asylum-seekers and have been granted refugee status. For the most part, migrants settled down in Portugal (89.1%) or South Africa (91%) after they arrived in the respective host country. The majority were still adolescents or young adults when they first arrived either in Portugal or in South Africa.

Migration flows in the corridors of interest are male-dominated: 69.5 per cent of respondents in Portugal and 91 per cent of those in South Africa are male. The majority of migrants in Portugal claimed to come from middle class and lower middle class environments, while most migrants in South Africa claimed to come either from a poor socio-economic environment or from a lower middle class environment. Currently, 76.5 per cent of migrants interviewed in Portugal and 89.5 per cent of migrants in South Africa are employed or self-employed. With low levels of qualification (68.8% of respondents in Portugal, and 46.4% in South Africa have only completed basic education), a large proportion of Angolans have taken up low-paid jobs, at the bottom of the occupational hierarchies of the Portuguese and South African gendered labour markets. However, some have experienced deskilling.

Nearly all respondents have spent most of their adult lives in their current countries of residence, where the closest members of their families (namely spouse and children) reside. This has not prevented them from continuing to support their families of origin in Angola through remittances. In Angola, 67 per cent of surveyed households are headed by men, who are the main breadwinners (according to 71% of respondents) and the main decision makers concerning the utilization of household income (according to 58% of respondents). The size of the households ranges from six to eight members. The majority of respondents are the siblings of their migrant relatives. Thirty-seven per cent of respondents have a relative living in Portugal, while only a few (6.4%) reported having relatives living in South Africa. Over 80 per cent of respondents completed or attended some level of basic education or some level of high school or technical education; 67 per cent of the heads of household are currently employed (mostly in Luanda). Overall, the surveyed households are not extremely poor or vulnerable,

as revealed by their level of monthly income, their housing conditions and asset accumulation. However, remittances constitute an important source of supplementary income for a large share of households (in 38% of the cases, remittances constitute 21% to 80% of the monthly household income); for 16 per cent of the households, remittances constitute 100 per cent of monthly income.

As regards Angolan migrants' links to their country of birth, migrants in Portugal have seemingly more compelling economic obligations in Angola than migrants in South Africa, who gave much more importance to the social links they maintain with their relatives and friends in Angola. Many Angolans in Portugal and South Africa are willing to return to Angola and intend to invest in small businesses in a wide range of sectors in their country of birth. Some of these projects, however, are difficult to realize due to lack of capital, access to credit, and necessary skills, or due to the difficulties linked to the migratory status. Some migrants still see many hindrances to investment in Angola. Additionally, the majority of Angolan migrants in Portugal (80% of interviewees) and South Africa (62.3% of interviewees) do not belong to any kind of organization or group owing to their lack of interest, lack of time and information, distrust vis-à-vis official (government-led) initiatives, as well as fear and reluctance to be involved in anything that seems political.

Nevertheless, remittances appear as the most tangible link that migrants keep with their families of origin at present. Over 90 per cent of the total number of the surveyed households in Angola received remittances within the past 12 months. The longevity of remittances from Portugal and South Africa rarely exceeds a ten-year time period, and a large proportion of transfers from Portugal (43%) and South Africa (32%) took place only once during the year. Over time, many migrants have been compelled to send smaller amounts of money owing to changes in their personal income, employment, responsibilities and the rising living costs in their respective host countries. The main stated remittance recipients are migrants' closest relatives, namely the parents (especially the mother), siblings, children and spouses/ex-spouses, as well as other members of the family. Remittance beneficiaries are highly concentrated in Luanda. The total size of monetary remittances sent from Portugal during the 12 months prior to the interviews is twice as much as the total size of remittances sent from South Africa. Eighty-three per cent of migrants in Portugal and 70 per cent of migrants in South Africa claimed to also send in-kind remittances. In addition, 15 per cent of the surveyed households in Angola reported to send domestic remittances (originating in Luanda) to other provinces in the country.

Angolan migrants in Portugal and South Africa use essentially two types of transfer channels: recorded services (remittance and courier companies) and hand delivery. Reliability is the most important characteristic influencing migrants' choice

of transfer method. Recorded systems used by migrants in Portugal and South Africa charge, on average, about 10 per cent of the amount transferred, while hand-carried remittances are usually cost-free. Although 58 per cent of respondents in Angola claimed they receive remittances through banks, it is unlikely that these remittances come from Portugal or South Africa, as interviewees in both countries rarely use bank products to remit. In Angola, despite the significant growth and competition within the banking sector, in 2006, only 5.8 per cent of the population had a bank account (KPMG, 2007: 5). While low levels of financial inclusion might not be problematic for cross-border remittance recipients based in Luanda, there is a need to expand domestic remittance services. Opportunities to expand remittance services through microfinance institutions are currently being explored. There is still room to foster competition among service providers and expand access to recorded services through the harmonization of remittance-related regulations, the creation of specific licenses for remittance-service providers separate from banks, and financial deepening.

As regards remittances' utilization, according to 67 per cent of respondents, remittances are used to meet basic household necessities, buy consumables and pay for utilities; 14 per cent of the households use a portion of remittances for business purposes; and only 1 per cent of the respondents claim to invest part of the remittance funds in agricultural activities. Remittances have helped to improve food security for the majority of the households, and the educational opportunities of the members of some households (particularly males). In contrast, 46 per cent of the respondents claim that remittances are not normally available during medical emergencies. Only 17 per cent of respondents claimed to use remittances for house repairs, and 42 per cent of households that receive in-kind remittances resell some of these goods. The former indicates that remittances are an important source of supplementary income that contribute to the welfare of many households in Angola, even if their impacts are not currently reflected in macroeconomic or social indicators.

The study concludes with three major recommendations in order to establish links with Angolans living abroad, and enhance remittances' developmental impacts in Angola: a) get to know Angolans in the diaspora, build trust and establish contact through non-biased and non-political intermediaries; b) continue facilitating investment in Angola; and c) lower remittance costs and expand cross-border and domestic remittance services.

2. ANGOLA: OVERVIEW OF ECONOMIC AND SOCIAL CONTEXT

2.1 Background information

Angola is a natural resource-rich country located in Southern Africa. It has a territory of 1,246,700 sq km, with a total of 5,198 km of land boundaries.³ Although sources are inconsistent,⁴ Angola's population is currently estimated at 17 million (OECD/AfDB, 2008; AfDB, 2008b) and is mainly young: 46.4 per cent of the population is under 15 years old (IOM, 2009). Also, about 46 per cent of the population is economically active (AfDB, 2005). Angola has experienced rapid urbanization; more than half the population (55.8% in 2007) is considered to live in an urban area (AfDB, 2008b), and it is highly concentrated in Luanda city and its periphery. The country consists of 18 administrative provinces,⁵ including Luanda (Figure 1). The official language is Portuguese,⁶ and the currency is the kwanza (Kz) (Angola's select indicators are presented in Annex 1). In Angola, surveyed areas include Huambo, Luena, Luanda and Menongue, in the provinces of Huambo, Moxico, Luanda and Cuando Cubango, respectively.

Figure 1: Map of Angola



Source: Map adapted from AfDB, 2008c.

Angola is a country with a colonial past. Independence from Portugal was declared in 1975, but was followed by a long period of civil war. The 2002 Luena Memorandum of Understanding laid the foundation for new opportunities for growth, reconstruction, and development in Angola.

According to the Interim Strategy Note (ISN) prepared by the International Development Association (IDA) in 2007, the Government of Angola has increasingly brought stability to all regions of the country. In addition, the country has started to move toward decentralization and democratic governance: voter registration was completed in September 2007 and legislative elections were held in September 2008. Moreover, the government of Angola committed itself to the *Estratégia de Combate à Pobreza (ECP)* or Strategy to Combat Poverty 2006–2008. The strategy outlined ten priority areas: (a) social reintegration, (b) de-mining, (c) food security and rural development, (d) HIV/AIDS, (e) education, (f) health, (g) basic infrastructure, (h) employment and vocational training, (i) governance, and (j) macroeconomic management (IDA, 2007; AfDB, 2008a). This agenda was complemented by the latest ECP 2009–2013. The Government of Angola, is currently working on six priorities outlined in the Five-Year Medium-Term Development Plan: (a) promote unity and national cohesion, consolidation of democracy and national institutions; (b) guarantee a sound and sustainable economic development, with macroeconomic stability, transformation and diversification of economic structures; (c) promote human development and social well-being; (d) stimulate private sector development and support national entrepreneurship; (e) promote an equitable development of the national territory; (f) promote competitiveness for the insertion of the country into the international trade context (Ministério do Planeamento, Plano de Desenvolvimento de Médio Prazo 2009–2013; UNDP, 2009). All these efforts will ensure the achievement of a longer-term development plan (Angola 2025).

Strengthening governance is key to realizing other economic and social objectives (IDA, 2007; AfDB, 2005; UNDP, 2007). Along this line, the World Bank (WB) has supported the processes of strengthening public sector management and institutional capacity, rebuilding infrastructure and the improvement of service delivery for poverty reduction, and promoting the growth of non-mineral sectors. UNDP has supported decentralization and democratic governance, civic education, opportunities for participation of civil society organizations, human security (especially through landmine clearing), and environmental sustainability and biodiversity. Other bilateral donors, such as Italy, Norway, Switzerland, Sweden and the United States (US) also provide support to governance reform programmes. Other multilateral assistance provided by the WB, the Food and Agricultural Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD) has focused on agricultural and rural development. Basic social service delivery is supported by

multilateral (WB, the European Union (EU)) and some bilateral donors including France, Germany, Italy, the Netherlands, Portugal, Spain and the US. Since 2004, China, Portugal, Brazil, and India have also supported rehabilitation of infrastructure mainly through granting oil-backed lines of credit (AfDB, 2005).

2.2 Economic context

Angola is currently the seventh-largest economy in Africa, with a gross domestic product (GDP) that reached almost US\$ 61 billion in 2007 (AfDB, 2008b). Angola's GDP has grown considerably in recent years owing to increasing oil production and the rise in oil prices. Angola's economy has shown an average annual growth rate of 15 per cent since 2002, making it one of Africa's fastest growing economies: from 3.4 per cent in 2003, GDP growth rate reached 11.2 per cent in 2004 and 19.8 per cent in 2007 (AfDB, 2005, 2008b). This means that there are significant financial resources available that could facilitate the country's reconstruction and development.

The economy is largely based on mineral resources. Angola became sub-Saharan Africa's largest oil producer in early 2008; it is now ahead of Nigeria as Africa's largest oil exporter. Oil production and its supporting activities contribute about 85 per cent of GDP (CIA, 2009). These resources have enabled the country to finance external debt, as well as to gain access to oil-backed credit lines.⁷ Angola is also the fourth-largest producer of diamonds in sub-Saharan Africa (IDA, ISN, 2007). Diamond reserves are exploited by a majority of state-owned enterprises and a few international enterprises. Endiama, a state-owned company, carries out diamond-extraction activities, and its subsidiary, Sodiam, manages diamond exports. Endiama estimates diamond production of 19 million carats in 2009 (Misser, 2008: 70).⁸

Angola is also rich in non-mineral resources and has potential in the sectors of agriculture, forestry and fisheries. Although these sectors have contributed little to national income in the past, recent post-war reconstruction, infrastructure investments and resettlement of displaced persons have led to high rates of growth in construction (37%) and agriculture (27.4%), according to 2007 figures from Angola Country Brief (WB, 2008). The manufacturing sector has also benefited from the ongoing rehabilitation of infrastructure. The need to further diversify the economy and invest more in sectors such as agriculture, manufacturing and services goes along with reducing Angola's dependence on imports and enhancing food security for the population.⁹

Agriculture is of crucial importance for the Angolan population, particularly for women: agriculture provides employment to about 4.8 million people, representing 89

per cent of all jobs (AfDB, 2008a), and women are believed to constitute 70 per cent of the active agricultural labour force (AfDB, 2005). It is estimated that traditional farmers account for 80 per cent of agricultural production, with shares of 18 per cent and 2 per cent, respectively, for medium-size and large-scale commercial farmers (AfDB, 2008c: 16). Recently, agricultural-sector growth has been stimulated by global interest in biofuels.¹⁰ Despite the fact that rehabilitation of infrastructure has allowed most displaced people to return home (IDA, 2007: 4), poor infrastructure and remaining landmines continue to limit agricultural development throughout the country. Moreover, newly returned formerly displaced farmers appear to be particularly vulnerable populations. In addition, internal movements during the conflict, from rural to urban areas, put pressure on urban infrastructure and labour markets, giving rise to urban poverty.

While oil revenues have increased national reserves and the government's budget, the IDA raises the concern that "with its heavy reliance on oil, however, Angola remains vulnerable to reductions in oil prices" (IDA, 2007: 3). Indeed, UNDP reports that economic perspectives are uncertain: "With the sharp drop of oil price to around US\$ 40-50 a barrel, and the non-oil sector growing at around 10 per cent, GDP would be around 17 per cent lower in 2009 compared to 2008. Within this framework total revenues could decline by as much as 50 per cent" (UNDP Angola, 2009). Moreover, Angola ranked 168th out of 181 economies in the 2009 *Doing Business* report, which assesses the overall ease of doing business in a country, including quantitative indicators on business regulations and the protection of property rights (WB, IFC, 2008). Domestic credit remains low; it represented only 5 per cent of GDP in 2005 (AfDB, 2005), and although credit to the private sector grew by almost 102 per cent in 2006 and 70.6 per cent in 2007, it is believed that much of this growth represents credit to households, presumably for consumption (AfDB/OECD, 2008: 31). The government is currently working to improve Angola's investment climate, through strengthening the country's economic policy, improving macroeconomic stability and fiscal management.

2.3 Social context

As regards living standards, and despite Angola's high growth rates, the latest estimates on income poverty (2001) indicated that 68 per cent of the population was poor, of which 28 per cent was extremely poor: "... nearly one in four Angolans is extremely poor, surviving on less than US\$ 0.75 a day, and about 70 per cent of Angolans live on less than US\$ 2 a day [...] although gross national income per capita is US\$ 1,980 (2006), income is highly unequally distributed..." (IDA, 2007: 7). Angola's Gini coefficient was estimated at 0.64 in 2005 (AfDB/OECD, 2008: 135). According to AfDB (2005; 2008c), poverty is mainly a rural phenomenon (incidence in rural

areas is 94.3%) but is also acute in urban areas (57%). Poverty's highest incidence is observed in families composed of more than seven people, and women represent one of the most vulnerable sections of the population.¹¹ Therefore, equitable growth seems to be essential to poverty reduction and peace-building. The Government of Angola is currently working to improve the country's social and human development indicators, especially toward the achievement of the Millennium Development Goals (MDGs).

As regards education indicators, such as primary education enrolment, gender ratio in basic education or adult literacy, some sources estimate primary school enrolment at 25 per cent of school-age children (AfDB, 2008a); other sources estimate the net primary and secondary school enrolment rates at 56 per cent and 12.5 per cent, respectively (AfDB/OECD, 2008: 136). Yet another source estimates primary school net enrolment/attendance at 58 per cent and the adult literacy rate at 67 per cent between 2000 and 2007 (UNICEF Angola, 2009; see also AfDB/OECD, 2008: 136). In 2008, the Ministry of Education (MED) estimated the total number of students at 5,736,520; there were 167,989 teachers in 2007 (which meant that there was one teacher for about 34 students), and the Ministry expected that 11,939 more teachers were going to be hired during 2008 (Ministério da Educação, 2008: 6). However, disparities in the distribution of services are important. Primary education rates are believed to be higher in coastal provinces than in southern provinces, where school infrastructure was severely damaged during the conflict. However, Angola is considered among the countries most likely to meet MDG Goals 2 (achieve universal primary education) and 3 (promote gender equality and empower women) by 2015 within sub-Saharan Africa.¹² At the secondary education level, where students can choose the path to follow, technical education is often preferred over vocational training (which remains a secondary choice), as university education is highly valued (AfDB/OECD, 2008: 133).

With reference to the labour force, and due to the civil war, the percentage of unskilled labour in the total labour force ranges from 68 per cent for those aged between 25 and 29, to 74 per cent among those between 20 and 24 years old, to as high as 94 per cent for the 15 to 19 age group. Women are clearly disadvantaged: 88 per cent of women are totally unskilled (AfDB/OECD, 2008: 133). Labour demand in sectors other than the oil industry was severely affected by the conflict. The public sector remains the largest source of jobs; the oil sector, which is capital intensive, has few possibilities for job creation. It is believed that extensive unemployment and underemployment affect a large share of the population, and that more people are incorporated in informal activities than enjoy stable and safe labour conditions. The unemployment rate in 2006 was estimated at 25.2 per cent (AfDB/OECD, 2008: 135). However, urban unemployment rate was estimated on average at 46 per cent to 48 per cent in Luanda in 2001; 85 per cent of female heads of household, and 75 per cent of male heads of household, were self-employed or worked in the informal private sector;

and about 42 per cent of children from poor families were active in the labour market (AfDB, 2005). UNICEF estimates that nearly a third of children from ages 5 to 14 are working and child trafficking is an emerging problem (UNICEF Angola, 2009). The government has implemented the *First Job* law in order to support technical and vocational training and employment, which are now monitored by an observatory aimed at collecting, processing and disseminating data on employment. In addition, the government launched an internship programme for students of technical secondary schools, a programme aimed at fostering the creation of micro- and small enterprises, and a programme to develop self-employment that targets mainly former combatants (AfDB/OECD, 2008: 134).

As regards health services, according to the AfDB, medical coverage in rural areas remains limited (30% in 2005), as well as in eastern provinces, where the distance to the nearest hospital is sometimes reported to be more than 100 kms (IDA, ISN, 2007:8). Ammassari (2005: 30) further found that 80 per cent to 85 per cent of the 1,600 doctors are registered in the Angolan *Ordem dos Medicos* practice in Luanda. Indeed, according to the ECP, there are about 45,500 health workers in Angola, of which 25,000 are administrative and support staff and only 1,000 are doctors. Moreover, 70 per cent of the doctors are working in the Province of Luanda.

In addition, health indicators remain low. Life expectancy at birth is estimated at 43 years (AfDB, 2008b). Under-five child mortality is high (231 deaths per 1,000 births) (AfDB, 2008b), as well as malnutrition (40%, and 45% of the rural population) (AfDB, 2008c) and maternal mortality (1,700 deaths per 100,000 live births) (AfDB/OECD, 2008:16). HIV/AIDS prevalence rate is estimated at 2.5 per cent (UNDP, 2007) but malaria remains the first cause of morbidity, with 40 per cent of cases of death among children under 5 years old. Tuberculosis prevalence rate is estimated at 577 per 100,000 and about 4 million people are exposed to the bacteria (AfDB, 2005). Access to safe water and sanitation is still limited. Between 2004 and 2006, the percentage of the population with access to safe water was estimated at 53 per cent, whereas the percentage of the population with access to sanitation was only 31 per cent (AfDB, 2008b). Nevertheless, within sub-Saharan Africa, Angola is considered among the countries in which MDG Goals 4 (reduce child mortality), 5 (improve maternal health), 6 (combat HIV/AIDS, malaria and other diseases), and 7 (environmental sustainability) are possible to achieve.

Finally, despite the considerable expansion of mobile phone technology and Internet worldwide, access to communication and information technology in Angola remains low: according to AfDB (2008b), in 2006, there were 5.9 telephone subscribers per 1,000 inhabitants, and only 5.7 Internet users per 1,000 inhabitants. However, there are about 5 million cell phone subscribers shared by the two cell phone operators, Unitel and Movitel (Misser, 2008).

2.4 Current priorities

Governance

Decentralization, democratic governance and civic education processes are taking place. Public administration management, planning, civil service and the judicial system are being strengthened. Through 84 different programmes, 1,716 civil servants have been trained (AfDB/OECD, 2008: 134). In addition, the government has opened up new opportunities for participation of private and civil society actors.¹³ The government has also recognized the need to improve the National Statistical System of Angola (SEN), and strengthen the *Instituto Nacional de Estatística* (INE) or Statistical National Institute to enable appropriate data collection, as well as effective monitoring systems on social and economic indicators and demographic trends, including gender-disaggregated data.

Reconstruction

Ensuring personal security to the civil population is one of the most important priorities. In 2007, a total of 83,557 anti-personnel landmines in stocks were identified throughout the country, of which 81,045 mines were successfully destroyed (UNDP, 2007: 31). In addition, in the same year, 89 communities hosting 209,625 inhabitants were declared “mine-free” (UNDP, 2007: 32). These actions have increased the opportunities for agricultural land use, population settlement, and expansion of education and health-care services in such regions. In addition, in 2007, 112 primary schools, 7 secondary schools, 4 hospitals and 32 health centres were built (AfDB/OECD, 2008: 136). The Ministry of Education reports that thanks to important efforts to reconstruct educational infrastructure, the number of classrooms (for basic education levels) increased from 19,012 in 2002 to 50,516 in 2008 (Ministério da Educação, 2008: 14). The government has also increased social expenditures and is working for the rehabilitation of roads, bridges, housing, water supply and electricity. Since 2006, the government allocated over US\$ 33 million of its Public Investment Programme to the rehabilitation of roads. Since 2007, banking syndicates have also invested US\$ 400 million in infrastructure (IFC and The Economist, 2007: 2). In Luanda, China is financing the Luanda Bay project to enlarge the main coastal road; in 2007, 1,200 kms of road and 94 bridges were rehabilitated, and the rehabilitation of a further 1,500 km of road was planned for 2008, with the financial support of China, Portugal and Brazil. The railway from Luanda to Malange, and the railway from Namibe to Menongue are also being rehabilitated (AfDB/OECD, 2008: 132), and the construction of a new international airport in Luanda is ongoing.

Reintegration

Between 2005 and 2008, the government's Disarmament, Demobilization and Social Reintegration Programme (PDDR) helped to demobilize and reintegrate a large number of war veterans. Reintegration was promoted through the rehabilitation of basic services and the creation of income-generating activities in collaboration with NGOs and trade associations.¹⁴ Furthermore, with the support of donors and international organizations, many Angolan citizens have returned to their country after the end of the conflict. Together with many partners, IOM has assisted the reintegration of returnees, IDPs and ex-combatants, and receiving communities, as well as the implementation of multi-sectoral reintegration projects to war-affected communities. In collaboration with the Ministry of Assistance and Social Reinsertion (MINARS) and the United Nations High Commissioner for Refugees (UNHCR),¹⁵ with the support of many donors,¹⁶ IOM as operational partner assisted the repatriation and voluntary return of more than 100,000 refugees between 2003 and 2007.¹⁷ Assistance also included HIV/AIDS sensitization and awareness for the beneficiaries of different return and reintegration programmes. Additionally, through a community revitalization programme launched in 2003, IOM has supported thousands of vulnerable returnees, IDPs and ex-combatants to reintegrate into society, and is involved in several reconstruction initiatives.¹⁸

Business climate

The government has taken steps towards improving the investment climate, the ease of starting up a business, and financial services, including microfinance. Initiatives such as the establishment of the National Private Investment Agency (ANIP), the Angola Enterprise Programme (AEP), the *Guiche Unico* (one-stop-shop for business registration), the National Workshop on Microfinance, or the First National Workshop on Private Sector are intended to promote investment and improve the business climate in the country. According to UNDP, the AEP has already enabled about 8,570 entrepreneurs to gain greater access to business and financial services to start, operate and expand their businesses. However AEP's outreach is limited as activities are concentrated in the capital city (UNDP, 2007: 36).

What is more, there is evidence of an increasing interest in attracting national and foreign investment beyond the oil sector. In this context, the *Basic Private Investment Law* (Law No. 11/03) is aimed at reducing barriers to private investment and providing protection and guarantees. The Law facilitates private investment by residents and non-residents, individual or corporate entities with adequate technical and financial capacity, and guarantees equitable treatment, as long as the investment project is compatible with the pursuit of the country's economic development and the well-being of the Angolan population.

Food security and rural development

The agriculture and forestry sector is the second source of growth of the Angolan economy. However, this sector faces a number of challenges to fully develop its potential.¹⁹ The government is currently implementing a strategy to foster agricultural development, ensure food security, revitalize rural areas, rehabilitate infrastructure to increase production output and regenerate trade, ensure personal security, and alleviate migration pressure in urban centres. The agricultural sector has been restructured with the purpose of transforming subsistence farming into a commercially viable industry as it was formerly. As displaced persons have returned to their farms, subsistence farming is also being revitalized. In December 2006, Angola established the Angolan Development Bank (*Banco de Desenvolvimento de Angola, BDA*), which administers a *Development Fund* through which 5 per cent of annual oil revenues and 2 per cent of diamond revenues are channeled to develop other sectors (IFC and The Economist, 2008). By the end of 2007, the Fund had already approved a number of projects to the value of US\$ 307 million, of which 55 per cent of funds was allocated to the industrial sector, 32 per cent to agriculture and 13 per cent to wholesale and retail trade (AfDB/OECD, 2008: 131). The government will also invest US\$ 150 million in five new irrigation perimeters, and a number of other programmes are being carried out in collaboration with USAID, Chevron Texaco and the African Development Bank (IFC and The Economist, 2008: 5). Moreover, an agreement was signed in late 2007 between Angola and IFAD to provide a credit line of US\$ 45 million to 200,000 farmers to strengthen agricultural production and investment (AfDB/OECD, 2008: 125).

Additionally, in 2007, the government launched the *Programme of Restructuring the Logistics and Distribution of Essential Products to the Population (PRESILD)*, which consists of the construction of 10,000 retail sales outlets, 163 municipal markets, 31 “Nosso Super” supermarkets and 8 distribution centres. This initiative is aimed at reducing food prices and enlarging the market of locally produced goods, simultaneously supporting job creation. However, the costs of transport to remote rural areas have to be further assessed, in order to fully harness the programme’s positive impacts (AfDB/OECD, 2008: 126).

Migration and remittances

In a context where poverty reduction, reconstruction, reintegration, the rehabilitation of agriculture, and sustainable development are being urgently addressed, it is not surprising that migration policies have not yet been fully mainstreamed within the national development agenda, other than those related to the reintegration of vulnerable mobile populations including IDPs, refugees and asylum-seekers, and those aimed at reviving rural areas and reducing urban migration. Nevertheless, the government

of Angola has recently recognized the importance of economic growth as a potential pull factor for international migrants within and outside the SADC region, as well as the need to manage mixed migration flows to and from Angola. Along this line, a new immigration law has been passed recently by Parliament²⁰ that regulates the legal situation of foreigners in Angola (entry, departure, stay and residence). Seemingly, professional labour migration and investment in different sectors are privileged, but no reference is made to remittance outflows or the repatriation of workers' earnings. The government has also recently recognized the important role that professionals and qualified Angolans could play in national development (Ammassari, 2005: 41–42).

In collaboration with the Ministry of Interior, IOM is supporting capacity-building in migration management activities in the country. IOM and IAECAE have commissioned the present study in order to better understand the context of migration and the characteristics of remittance inflows to Angola. This is a first step to assess the possibilities of mainstreaming migration and remittances in future development initiatives. This study focuses on financial remittances, as well as on their use and impacts in Angola, the degree of organization of Angolan migrants in Portugal and South Africa and the opportunities to involve them in development cooperation in Angola.

In order for any expectations to be sufficiently objective, it is important to bear in mind, first, that there is no consensus on a single definition of the term “development”. Second, it is widely assumed that migration and remittances have positive impacts on receiving families and local economies through spillover effects, as well as through the engagement of migrants in the development of their countries of origin. However, these impacts are limited in scale. Although in some cases, migrants' contributions have been proven to make a difference in local contexts, it is also true that general living standards cannot be improved in the absence of political stability, good macroeconomic management, and a strong commitment to pro-poor and sustainable human and social development and equitable growth. Therefore, it would be misleading to assume that the link between migration and development is “automatic” or “natural”. As De Haas (2006: ii) argues: “Expectations must be set more realistically so as to avoid disappointment and the subsequent abandonment of the migration and development agenda.” Thus it is necessary to first build solid ground for the development of policies aimed at linking migration and development. The former needs a ***sound and reliable knowledge base*** and appropriate ***data collection and monitoring methods***, in order to assess the size, level of skill, expectations, interests, and degree of organization of the populations living abroad, which are factors that may facilitate or hinder their individual or collective motivation to become development agents.

Remittances are currently one of the most tangible links that migrants living in Portugal and South Africa keep with their relatives in Angola. Besides the influence that political and legislative frameworks could have on remittances' development impacts, remittances are private monies, and many of the determinants of their use are directly related to the characteristics, needs and interests of the senders and recipients. In the following sections, we first describe the context of migration from Angola to Portugal and South Africa, and analyse the sociodemographic characteristics of the senders in Portugal and South Africa, and remittance beneficiaries in Angola. Then the major characteristics of remittance flows from Portugal and South Africa to Angola are described, including the preferred transfer channels, legislative framework and remittances' utilization and impacts in receiving households. The report concludes with some recommendations to create enabling environments for remittances and enhance their development impacts in Angola.

3. MIGRATION IN ANGOLA

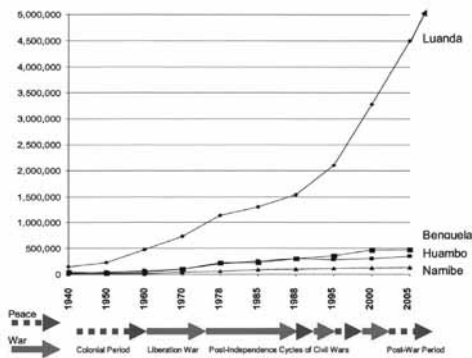
As an introduction to this section, it is worth recognizing that the dearth of data and data deficiencies are major limitations to our understanding of overall migration characteristics within and outside Angola, and it continues to hinder the formulation of adequate migration and development policies. As suggested by Ammassari (2005), the development of an integrated migration data management system for Angola would be of value. Taking into consideration these difficulties, this section provides a brief description of the emigration dynamics and migration patterns followed by Angolan migrants currently living in Portugal and South Africa.

3.1 Context of migration

In the recent past, and especially during the conflict, Angolan migration dynamics were characterized by internal rural–urban migration (people sought to move to the cities to escape war), displacement of persons, cross-border refugee outflows, economic skilled and lower-skilled migration (domestic, intraregional and extraregional). Today, in a context of peace and fast economic growth, Angola's migration dynamics are characterized by mixed flows including labour migrants, asylum-seekers, irregular migrants and trafficked persons to Angola.

As regards internal migration, the conflict had a significant impact on urbanization – now people move to the cities looking for opportunities to have a better life. Coastal cities, particularly Luanda, were seen as relative safe havens from instability and economic insecurity. This trend continued after the end of the conflict, as the dividend of peace was faster visible than shown in Figure 2.

Figure 2: Urban growth in war and peace

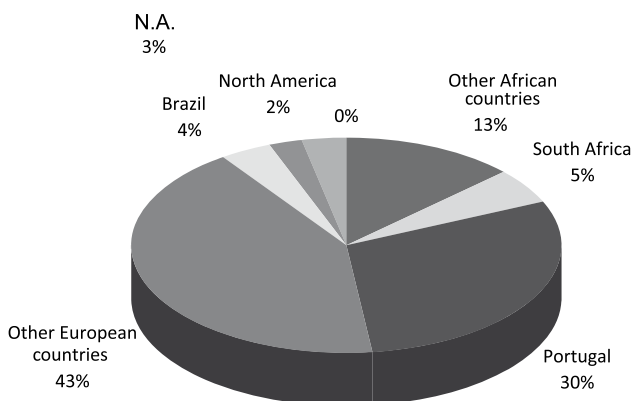


Source: Cain, 2007: 362.

Displacement of persons in Angola has been considered by some scholars as a recurrent phenomenon, since the beginning of the independence struggle in 1961 until the end of the war in 2002. At the time of the conflict, Angolan IDPs were estimated at 3.8 million (AfDB/OECD, 2008: 133). Since the end of the war, internal migration patterns have become more complex. In Luanda, populations are also on the move, but this phenomenon rarely concerns entire family groups. Families appear reluctant to give up their stake in the urban informal market economy and the educational system.²¹ According to a recent study by DW, farming activities are also developing in peri-urban Luanda, particularly in Cacuaco, and new economic relationships are emerging as rural producers, through the extended family, are now linking with the urban informal markets (DW, 2005: 110).

Concerning outmigration, Ammassari (2005: 32) reports that between 1995 and 2000, annual net cross-border migration in Angola was estimated at -17,000 or -1.4 per 1,000 inhabitants. The net migration rate is 1.34 migrants/1,000 population (CIA, 2009). The stock of emigrants in Angola is estimated at 522,964, and the major destination countries include Portugal, Zambia, Namibia, Congo, Germany, France, the United Kingdom (UK), Brazil, Spain and the US (WB, 2008). Canada and Belgium are also important destination countries (Focus group discussion, Luanda, 3 March 2009). The household survey further confirmed the presence of Angolan migrants in some of the referred destination countries. The majority of the respondents' migrant relatives (73%) live in various European countries, including Portugal, which hosts 30 per cent of the subject migrants. However, only 5 per cent of the respondents' relatives are reported to live in South Africa (Figure 3).

Figure 3: Migrant host country



Source: DW, 2008.

For some scholars, Angola was one of the main “refugee-producing countries” in Africa, together with Burundi, Eritrea, Liberia, Sierra Leone, Somalia and Sudan

(Black et al., 2006: 5), but statistics about refugees, and asylum-seekers²² are imperfect and generally difficult to obtain.²³

According to the latest projections of the United Nations Department of Economic and Social Affairs (UN-DESA, 2008), refugees constitute an important share of the total international migrant stock worldwide; their numbers are expected to reach 16.3 million by 2010, 4 per cent higher than in 2000, when this figure was 15.6 million. Africa is the second-largest region hosting refugees after Asia. It is estimated that it will host 2.6 million refugees by 2010. Overall, there has been a decline in the proportion of refugees among the global migrant population, from 12 per cent in 1990, to 9 per cent in 2000, and it is expected to reach 8 per cent in 2010 (UN-DESA, 2008). In 2005, there were about 10.5 million refugees in developing regions. Refugees constituted almost 18 per cent of all international migrants in Africa (UN-DESA, 2009). Refugees originating from Angola, as at January 2009, were estimated at 171,393; Angolan asylum-seekers were estimated at 741, and returned refugees²⁴ were estimated at 13,052 (UNHCR Angola, 2009).²⁵ During the conflict, most Angolan refugees were hosted by Botswana, the Democratic Republic of the Congo (DRC), the Republic of the Congo, Namibia, Zambia and other countries (IOM Angola, online). UNHCR organized repatriation of Angolan refugees ended in March 2007 and will restart in July 2009. The total number of returns from 2002 to 2007 is 420,900. According to UNHCR, some 190,000 Angolan refugees remain in the DRC, the Republic of the Congo, Zambia and other countries (UNHCR, 2008: 277). Today Angola, as one of the fastest-growing economies in Africa, attracts also growing numbers of migrants and asylum-seekers from 22 different countries. As at January 2009, Angola was host to 12,710 refugees (of which 11,400 came from DRC) and 3,185 asylum-seekers, “the majority of whom are Congolese who fled the conflict in Katanga province in the 1970s”, and were granted *prima facie* status. Most of them live in 8 of the 18 Angolan provinces and have been staying in the country for almost 30 years (UNHCR Angola, 2009).

As regards Angolan asylum-seekers and refugee flows outside the African continent, and despite data deficiencies, some sources estimated mean annual flows between 1995 and 2000 from Angola to Europe at 2,056, and from Angola to the US at 82, making up a total of 2,138 (Black et al., 2006: 137). Recent statistics concerning the presence of Angolan legal residents, refugees and asylum-seekers outside the African continent indicate that Angolan legal residents in the Netherlands outnumber those living in Portugal, Belgium, Italy, Switzerland, the UK and the US, where the number of Angolan legal residents is nevertheless important. The number of Angolan asylum-seekers is seemingly greater in the UK than in any other European country, and Switzerland appears to host the largest number of Angolan refugees among the countries considered, as shown in Table 1:

Table 1: Angolans abroad

Country	Legal residents	Asylum-seekers	Refugees	Total	Source / year
Austria	183	20	9	212	National Statistics Office (Statistik Austria), January 2008
Belgium	3,216	50	132	3,398	Belgium Government, January 2008, Evolution of asylum-seekers since 2002
Denmark	53	3	-	56	Statistics Denmark, July 2008
Finland	319	60	-	379	Finnish Immigration Services, December 2007, Data about minors
Germany	-	-	-	7,362	German Federal Statistical Office, 2007, Specifies about male-female, age, length of stay
Greece	3	-	-	3	Ministry of Interior and UNHCR 2007–2008
Italy	1,631	-	-	1,631	ISTAT, December 2007, Live mostly in Northern Italy
Latvia	1	1	-	2	IOM Latvia
Lithuania	-	3	-	3	Ministry of Interior, 2008, Statistics on African residents not disaggregated by country
Malta	4	-	-	4	Ministry for Justice and Home Affairs, November 2008
Netherlands	116,819	55	-	116,874	IOM, October 2008
Norway	313	21	-	334	Statistics Norway, December 2008
Portugal	32,728	-	-	32,728	Immigration and Borders Service (SEF), 2007
Sweden	661	19	-	680	Sweden Migration Board, Statistics Sweden, November 2008
Switzerland	2,439	130	1,820	4,389	IOM, November 2008
UK	4,000	6,979	-	10,979	Uncertain figures, 2006, Home Office
US	1,137	289	129	1,555	IOM, 2009

Source: IOM Luanda, own elaboration, March 2009.

The conflict certainly had a profound impact on all aspects of economic and social life in Angola, including the disruption of economic activities, leading to a lack of labour opportunities, as well as a general decline in living standards, and reduced prospects for long-term investment. Although the conflict could be considered a major causal factor, migration is a complex phenomenon and is not determined by one single reason, but migration depends also on a combination of enabling factors, that is, on the resources and opportunities migrants can draw upon to accomplish the migration project.

In Portugal, the difficulties posed by violence and war played a key role as a motive for migration. Migrants claimed violence and war (36% of the cases), followed by

economic hardship (29.5%), studies (27.5%) and the search for new opportunities (25%) as the main motivating factors behind their decision to migrate (Table 2). Likewise, among Angolan migrants living in South Africa, political reasons were cited in 46.6 per cent of the cases; this was followed by violence and war (26.5%), the search for new opportunities (17.9%), and the possibility to study abroad (9%) as the main factors motivating emigration. Economic hardship, joining a relative (each representing 5.4% of the cases), marriage (0.9% of the cases), and other reasons (1.8% of the cases) were less significant grounds for emigration (Table 3).

Table 2: Portugal - Emigration reasons

		Economic	Political	Violence/ war	New opportunities	Join relative	Get married	Study	Other
1971–1980	F	3	3	4	1	3	1	0	0
1981–1990	F	18	11	20	10	10	0	8	0
1991–2000	F	27	16	41	35	13	1	40	9
2001–2010	F	11	1	7	4	8	1	7	2
Entire data Set	Total	59	31	72	50	34	3	55	11
	% of total	29.5	15.5	36	25	17	1.5	27.5	5.5

Note: N = 200; F = frequency ; % of total = percentage of total cases.

Table 3: South Africa - Emigration reasons

		Economic	Political	Violence/ war	New opportunities	Join relative	Get married	Study	Other
1990–1994	F	1	21	10	3	0	0	0	0
1995–1999	F	9	75	40	27	10	1	7	1
2000–2004	F	0	5	7	7	0	1	7	0
2005–2009	F	2	3	2	3	2	0	6	0
Entire data Set	Total	12	104	59	40	12	2	20	1
	% of total	5.4	46.6	26.5	17.9	5.4	0.9	9	0.4

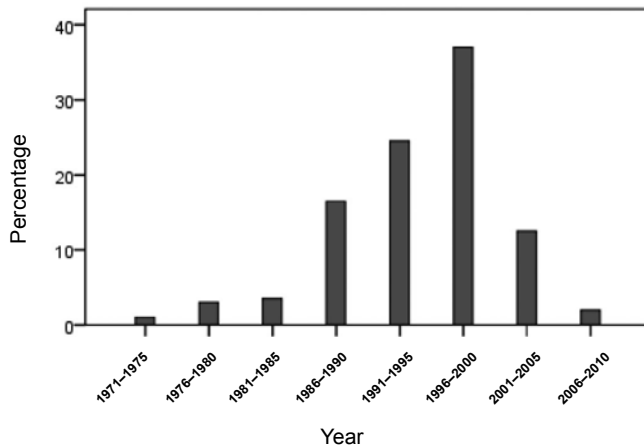
Note: N = 223; F = frequency; % of total = percentage of total cases.

The complexity of the context of migration is also reflected in the responses of both migrants living in Portugal and in South Africa, who frequently associated more than two reasons to emigrate. For instance, political reasons, violence, war and economic hardship, as well as the search for new opportunities, were often associated with migration. There were other kinds of associations: studies and the search for new opportunities, joining a relative and getting married, etc.

The most intense period of emigration was reported during the 1990s, when the majority of migrants arrived in Portugal for the first time (61.2%); 7.5 per cent

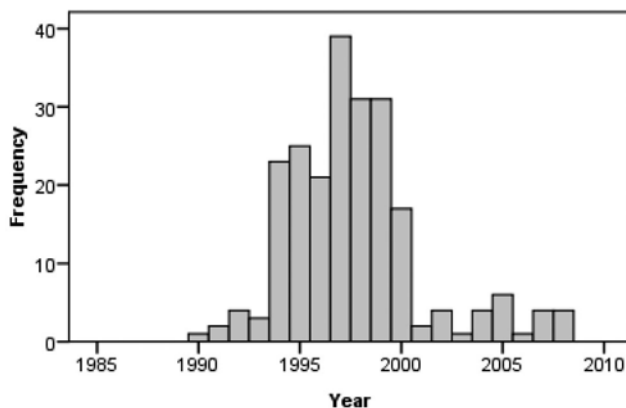
arrived in the country during the 1970s and the first half of the 1980s; 16.4 per cent arrived during the second half of the 1980s, and 14.4 per cent arrived in Portugal during the current decade (Figure 4). This is further supported by the findings of the household survey conducted in Angola, as most respondents recall that their relatives left the country between 1986 and 2000 (which accounts for about 78% out of 501 migrants). Surprisingly, however, the search for better opportunities was the most important driving force for emigration, while escaping domestic conflict appeared to be a secondary reason.

Figure 4: Date of initial departure to Portugal



In the case of South Africa, 80.7 per cent of Angolan interviewees arrived in that country during the 1990s (none of the respondents arrived before 1990).²⁶ Only a small share of this sample arrived in South Africa during the current decade (Figure 5). For migrants in South Africa, political reasons, violence and war were important determinants for emigration during the second half of the 1990s; the end of apartheid may also have influenced the choice of this specific destination.

Figure 5: Date of initial departure to South Africa



Thus far, the study reveals some similarities regarding the reasons for emigration between Angolan migrants living in Portugal and those in South Africa. The next section describes the specificities of the historical contexts and the characteristics of migration flows from Angola to each of the referred countries.

3.2 Migration from Angola to Portugal

Portugal, long a country of emigrants, became in the 1970s a country of destination. The fall of the dictatorship and the independence of its former African colonies, as well as a higher demand for labour in the 1980s and 1990s have been some of the reasons attributed to the increase in immigration.

Long-standing relationships established since the colonial period between Portugal and Portuguese-speaking former colonies (i.e. Angola, Brazil, Cape Verde, East Timor, Guinea-Bissau, Mozambique, and Sao Tome and Principe) have always played an important role in Portugal's migration history. These relations are reflected by the immigration flows to and from Portugal. Cultural links and the establishment of migrant networks have traditionally stimulated these communities to migrate to Portugal, although recently, Portugal has also received important immigration flows from Eastern European countries (mainly Ukraine and Romania).

In 2005, Portugal's international migrant stock was estimated at 763,700, constituting 7.3 per cent of the total population. In 2007, 31 per cent of the foreign population in Portugal (out of a total of 435,736 legal residents) was reported to be formed by citizens from former Portuguese colonies (SEF, 2007).²⁷ Citizens from Brazil (66,354) and Cape Verde (63,925) by far comprised the largest groups, followed by Ukrainian and Angolan citizens (Table 4).

Table 4: Main migrant communities in Portugal

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Angola	17,721	20,416	22,751	24,782	25,616	26,517	27,533	33,353	32,728
Cape Verde	43,951	47,093	49,845	52,223	53,434	54,788	55,608	65,515	63,925
Guinea-Bissau	14,217	15,941	17,791	19,227	20,041	20,511	20,935	23,816	23,733
Mozambique	4,502	4,619	4,725	4,864	4,916	4,953	5,029	5,875	5,681
Sao Tome and Principe	4,809	5,437	6,304	6,968	7,279	7,828	8,198	10,838	10,627
Brazil	20,851	22,202	23,422	24,762	26,508	28,730	31,500	68,013	66,354
Ukraine	123	163	203	299	525	1,551	2,120	41,530	39,480
Romania	224	369	508	615	764	1,219	1,564	11,431	19,155
Russian Federation	448	519	596	699	858	1,155	1,342	5,334	5,114

Source: SEF, 2007; IOM Lisbon, own elaboration.

The Immigration and Borders Service (SEF) estimated the number of Angolan legal residents at 32,728 in 2007, 33,353 in 2006, 27,533 in 2005 and 26,517 in 2004. However, data are not disaggregated into categories such as asylum-seekers or recognized refugees.²⁸ During the period between 1999 and 2007, the Angolan diaspora in Portugal almost doubled its size, and it now constitutes the fourth most represented community in Portugal (8% of the total foreign population).

Moreover, although there are more men than women among communities from Portuguese-Speaking African Countries (hereafter PALOP) residing in Portugal, this trend has been shifting: at the national level, SEF (2007) reports that female migrants account for nearly 45 out of every 100 migrants living in Portugal, and among PALOP communities, women make up 43 per cent of the total migrants. The share of female migrants among Angolan residents in Portugal has also been rising steadily, from 41 per cent in 1999 to nearly 46 per cent in 2007 (Table 5).

Table 5: Angolan community in Portugal: Gender representation

YEAR	Male	%	Female	%
2007	17,610	54	15,118	46
2006	17,878	54	15,497	46
2005	14,865	54	12,668	46
2004	14,496	55	12,021	45
2003	14,133	55	11,483	45
2002	13,756	56	11,026	44
2001	12,882	57	9,869	43
2000	11,841	58	8,575	42
1999	10,529	59	7,192	41

Source: SEF, 2007; IOM Lisbon, own elaboration.

Concerning territorial distribution, immigrant communities traditionally settled around LMA²⁹ and Algarve (Table 6). The districts of Lisbon and Setubal (65% and 17%, respectively) host 82 per cent of the Angolan community (SEF, 2007).

Table 6: Angolan residents by district, 2007

Aveiro	595
Beja	29
Braga	451
Bragança	79
Castelo Branco	78
Coimbra	722
Évora	87
Faro	1,274
Guarda	79
Leiria	305
Lisboa	21,249
Portalegre	82
Porto	1,436
Santarém	325
Setúbal	5,451
Viana do Castelo	95
Vila Real	86
Viseu	170

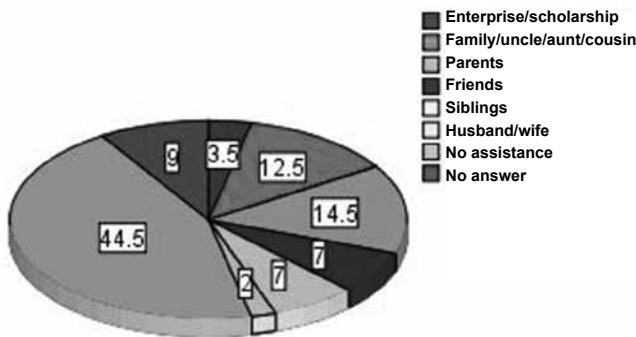
Source: SEF, 2007; IOM Lisbon, own elaboration.

Some groups, including Angolan, Cape Verdean, Sao Tome, or Mozambican citizens, show a high geographical concentration; others, such as Ukrainian and Brazilian nationals, are more dispersed within the national territory. It could be argued that the trend to reside within LMA reflects the polarization and absorption of employment in this area, as well as an important presence of Angolan social networks in the capital and its surroundings.

As demonstrated by the responses of migrants interviewed in both Portugal and South Africa, migration often results from a mix of needs, hopes, decisions, and obviously, the real capabilities and resources that migrants have to accomplish the migration project.

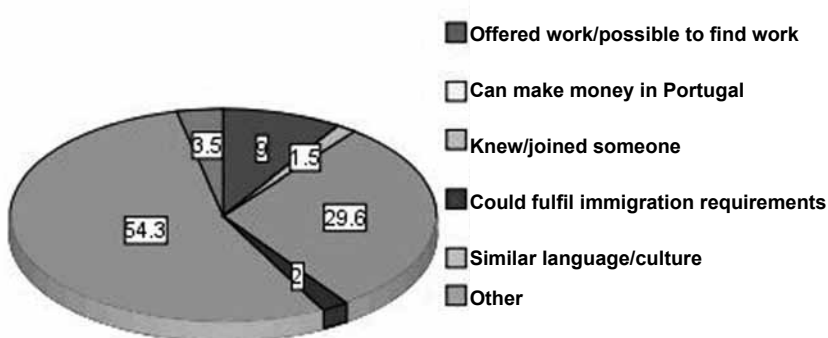
Family support and the existence of social networks in the country of destination can play an important role in facilitating migration. About 55.5 per cent of the migrants interviewed in Portugal received some kind of assistance from members of their family, such as parents, siblings, spouse, uncle, aunt or cousins (Figure 6). Many interviewees, who left Angola during the 1990s, were in fact adolescents or young adults when they first arrived in Portugal.

Figure 6: Portugal assistance



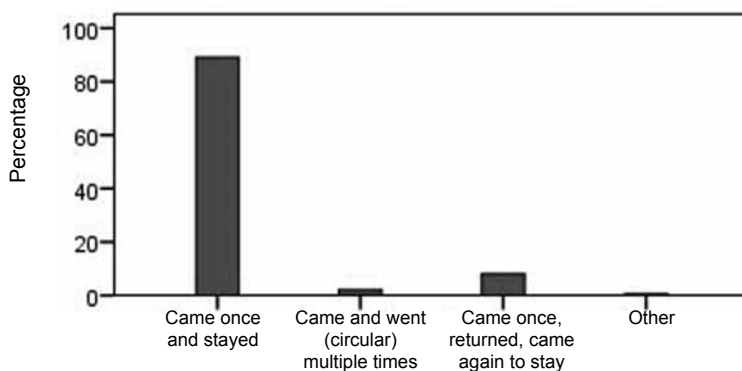
Besides the existence of social networks, cultural proximity (54%) was a very strong motivation for choosing Portugal as a destination, followed by the existence of labour opportunities (Figure 7). This is further confirmed by the findings of the household survey carried out in Angola, which revealed that 50 per cent of respondents' relatives who migrated to Portugal chose that country owing to linguistic proximity and the presence of friends and relatives in Lisbon.

Figure 7: Why Portugal



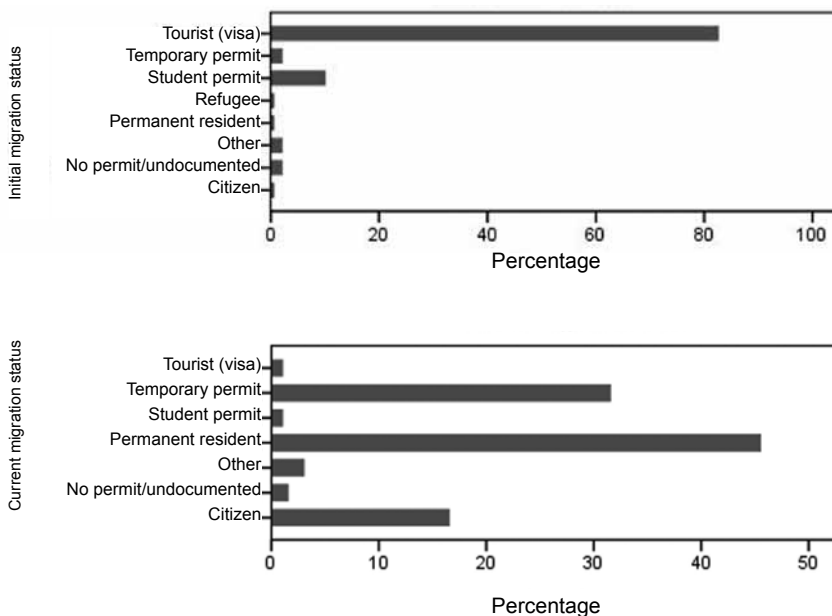
For the most part (89.1%), migrants settled down in Portugal after they arrived in the country; very few (only 8%) followed some kind of circular migration pattern but finally settled in Portugal (Figure 8).

Figure 8: Portugal - Migration pattern



Nearly all migrants (82.5%) had a tourist visa when they first arrived in Portugal.³⁰ Today, 45.5 per cent of the sample have become permanent residents; 31.5 per cent have obtained a temporary permit; and 16.5 per cent have become Portuguese citizens (Figure 9).³¹

Figure 9: Portugal - Migratory status



The former indicates that many of the respondents in Portugal enjoy a stable migratory situation and thus, are in a good position to search for decent employment and may have access to social benefits and diverse financial services. Therefore, migrants in Portugal are also seemingly in a good position to save and remit.

3.3 Migration from Angola to South Africa

Migration in the Southern African region is not a recent phenomenon; it dates back to pre-settler and pre-colonial times. Migration in SADC³² is linked to social, economic, and political factors. Intraregional migration is the most important characteristic of migration dynamics in this geographical area, dating back to the mid-nineteenth century. During the colonial period, contractual labour in the agricultural and mining sectors, as well as domestic services demand, framed intraregional migration flows. Later on, the end of apartheid in South Africa, and the country's integration with the SADC region, further influenced both legal and undocumented cross-border migration (Black et al., 2006: 80). Independence movements in the region led to the movement of white settlers out of Zambia, Zimbabwe, Angola and Mozambique. The spread of the HIV and AIDS epidemic,³³ civil conflicts (the Mozambican and Angolan civil wars), and reintegration of displaced persons have recently modified migration patterns in the region (Crush, Peberdy and Williams, 2006). UN-INSTRAW and SAIHA (2007: 10), following Robert Cohen, further describe six global trends in international migration patterns relevant to post-apartheid Southern Africa: (a) refugee migration,³⁴ (b) migration for shopping, (c) undocumented workers, (d) skilled transients, (e) unskilled contract workers, and (f) independent female migrants, although they argue that the category of "independent female migration" could be problematic and ahistorical, owing to the fact that it ignores the long history of independent migration of women in the region. Other authors suggest that today, migration patterns in this area are characterized by growth in the volume and complexity of cross-border movements (i.e. circular migration, movement for trade and business); the restructuring of traditional contract labour systems; the expansion of undocumented migration and skilled migration; resettlement of refugees and displaced persons; growing informal cross-border trade; rapid urbanization and the restructuring of rural–urban linkages (Crush, Peberdy and Williams, 2006: 8).

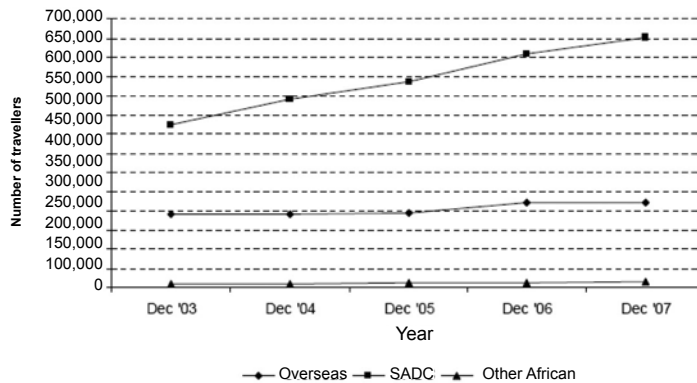
Historically, South Africa has attracted foreign labour from the SADC region, first under contractual labour systems, and since independence, owing to its steady economic growth, driven by strong domestic demand and foreign direct investment. Paradoxically, South Africa continues to face high unemployment rates (21.9% in the fourth quarter of 2008), poverty, high prevalence of HIV/AIDS (11% of the adult population), and relatively low life expectancy at birth (estimated for both sexes at 52.2 years; 50.3 years for males and 53.9 years for females) (Statistics South Africa, 2008b). Nevertheless, South Africa is considered among the countries very likely to meet the MDGs relating to poverty and hunger, education, gender equality, environmental sustainability and the global partnership for development within sub-Saharan Africa.

Today, South Africa is both one of the most important countries of immigration within Africa and one of the most important countries of emigration, together with Cape Verde, Eritrea, Ethiopia, Gambia, Ghana, Liberia, Mali, Senegal, Sierra Leone, Somalia and Zimbabwe (Black et al., 2006: 2). Skilled emigration is also a feature of South Africa's migration dynamics.³⁵

Furthermore, in the case of SADC countries, increasing migration flows within the region, both legal and undocumented, are a matter of concern. This is reflected in the restrictive approach to migration and tight immigration policies. Seemingly, Botswana, Namibia, South Africa (in SADC) and Angola,³⁶ are among the countries that have reservations in relation to the free movement of persons proposed either in the Draft Protocol on the Facilitation of Movement of Persons, of the SADC³⁷ (that concerns all the referred countries), or in the Common Market for Eastern and Southern Africa (COMESA) Protocol on the Free Movement of Persons, Labour and Services, Right of Establishment and Right of Residence³⁸ (that concerns Angola). In 2000, the Migration Dialogue for Southern Africa (MIDSA) was launched, with the support of the IOM and the Southern African Migration Project (SAMP), in order to build trust among partners and improve institutional capacity in migration management in SADC, mainly through non-binding processes.

Poverty, unemployment, skilled emigration, xenophobia,³⁹ and restrictive migration policies have not affected the attractiveness of South Africa as a key destination for many migrants within the SADC. In 2007, for instance, 97.9 per cent of all arrivals to South Africa originated in SADC countries (Statistics South Africa, 2008: 2). Arrivals from SADC countries have been increasing since 2004 (Figure 10); the eight leading source countries from SADC are Lesotho, Swaziland, Zimbabwe, Botswana, Mozambique, Namibia, Zambia and Malawi. Stated reasons for entry in South Africa tend to be very diverse; nevertheless, some scholars argue that primary stated reasons are often tourism, trade or business, and not work (Black et al., 2006: 86). In 2007, an overwhelming majority (95%) of foreign arrivals was admitted into South Africa on visitors' temporary residence permit (this group comprises mainly same-day travellers and tourists). The same year, those admitted for business (1.7%), work (1%) and study (0.7%) were the minority (Statistics South Africa, 2008a: 3).

Figure 10: Number of December arrivals by region



Source: Statistics South Africa, 2008a.

According to the last population census undertaken in 2001, Angolan residents represented only 1.9 per cent of foreign citizens from SADC countries residing in South Africa, and only 0.01 per cent of South Africa's population (Table 7).

Table 7: South Africa: Country of citizenship of migrants, 2001

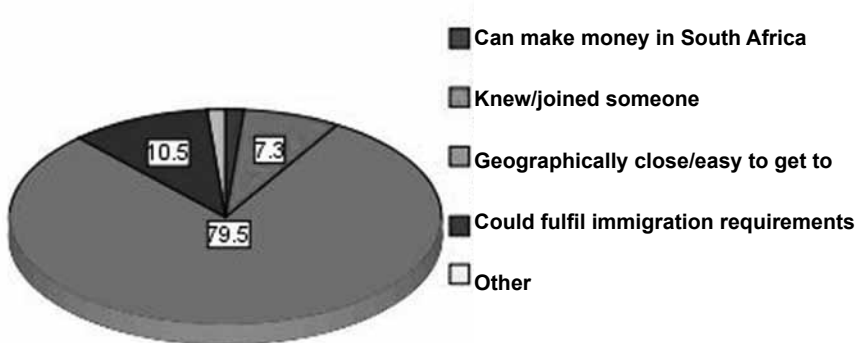
Citizenship (14 first nationalities)	N	%	Citizenship (SADC countries except South Africa)	N	%
South Africa	17,037,670	99.56	Mozambique	43,750	58.6
Mozambique	43,750	0.26	Lesotho	10,144	13.6
United Kingdom	11,158	0.07	Zimbabwe	8,114	10.9
Lesotho	10,144	0.06	Swaziland	3,964	5.3
Zimbabwe	8,114	0.05	Malawi	2,993	4.0
Swaziland	3,964	0.02	Angola	1,437	1.9
Malawi	2,993	0.02	Namibia	1,353	1.8
Germany	1,638	0.01	Zambia	1,322	1.8
Congo Brazzaville	1,482	0.01	Botswana	702	0.9
Angola	1,437	0.01	DRC (Congo Kinshasa)	594	0.8
India	1,412	0.01	Mauritius	177	0.2
Namibia	1,353	0.01	Tanzania	160	0.2
Zambia	1,322	0.01	Seychelles	0	0
United States	994	0.01	All SADC countries	74,711	100
All nationalities	17,142,837	100			

Source: Statistics South Africa, Census 2001.

The study further confirms the importance of intraregional migration flows within the SADC. Geographical proximity was indeed a major determinant for choosing

South Africa as a destination among respondents in South Africa (representing almost 80 per cent of the cases; see Figure 11). The possibilities of being able to fulfill immigration requirements and joining a relative (spouse, brother, cousin) also influenced the choice of that country. Unlike migrants in Portugal, the existence of labour opportunities was not among the reasons influencing the choice of the destination country for interviewees in South Africa.

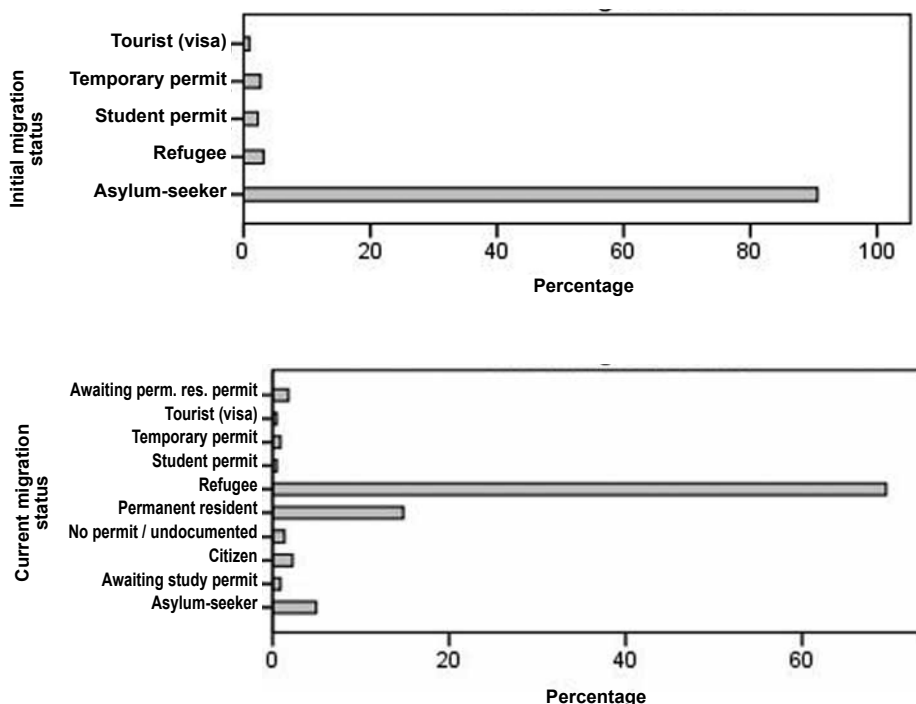
Figure 11: Why South Africa



It is worth mentioning also that South Africa was a major host of forced migration flows during the 1990s, despite the fact that the country did not recognize refugees until 1993,⁴⁰ by the end of apartheid. The 1998 South African Refugees Act,⁴¹ which became effective in 2000, is consistent with the principle of *non-refoulement*. The act allows recognized refugees to remain in the country and entitles refugees to apply for permanent residence after five years of continuous residence from the date on which asylum was granted. Some scholars argue that between 1994 and 2001, 64,000 applications were made for refugee status in South Africa; primarily from nationals from DRC (7,700), Angola (6,900), Somalia (5,900), Nigeria (5,300), Senegal (4,500), Ethiopia (3,200), Burundi (2,000), and some Asian countries, including India (6,400), Pakistan (5,300) and Bangladesh (1,300). Somali applicants had a 90 per cent rate of acceptance; Angolans, 65 per cent; DRC, 64 per cent; and Burundi, 46 per cent; other applicants were less successful, presumably on the grounds of their nationality (Black et al., 2006: 88). Furthermore, in early 2003, South Africa received 14,000 new arrivals, bringing the total number of persons to 90,000, comprising 24,000 recognized refugees and 66,000 asylum-seekers (South Africa Info, 2004). The United Nations Population Division estimates the number of refugees in South Africa at 28,300 (UN-DESA, 2009). The latest report of the South African Department of Home Affairs (DHA) estimates the number of asylum-seekers at 58,584 in 2007–2008, out of which 9,727 applications were accepted (Republic of South Africa, DHA Annual Report 2007–2008). However, these figures are not disaggregated by nationality, making it difficult to appraise the true size of the Angolan refugee community in that country.

The findings of this study are consistent with the above context as regards the changes of migratory status of Angolan migrants. For the most part, interviewees entered South Africa during the 1990 as asylum-seekers (90.6% of the sample). Today, the majority has been granted refugee status (69.5%); some have become permanent residents (15%); a few are asylum-seekers (5%) and the rest hold another kind of migratory status (temporary permit, citizen, student, undocumented, and tourist visa; see Figure 12). Indeed, at the time when interviewees arrived in South Africa, it may have been “easier” for Angolans to apply for a refugee permit than for any other kind of permit. However, Angolan-recognized refugees in South Africa seem to be in a vulnerable situation that influences their employment opportunities, income level and access to financial services, and thus their capacity to remit. Recently, most Angolan migrants have been admitted into South Africa as visitors on temporary permits. In 2007, the number of SADC travellers that arrived in South Africa was estimated at 650,714, of which 2,608 were Angolan nationals. The majority of Angolan citizens (2,355) were admitted as visitors on holiday; 124 were registered as students; 69 were admitted for work purposes; and 46, for business (Statistics South Africa, 2008a: 16).

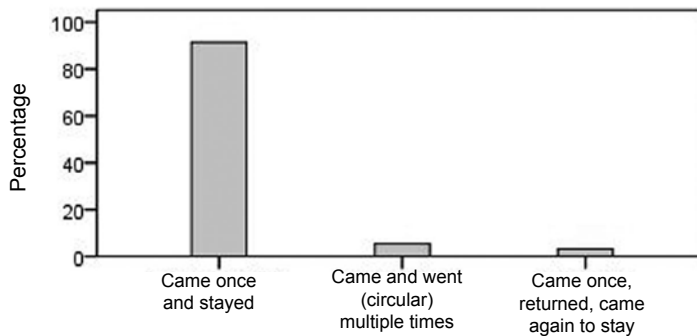
Figure 12: South Africa - Migratory status



With regard to geographical distribution in South Africa, as the surveyed area was only Cape Town, nearly all Angolan interviewees reside in Cape Town, Western Cape, with the exception of four cases in which migrants reside in Johannesburg and Pretoria, in the province of Gauteng. It is worth mentioning that unlike other African countries, South Africa does not have refugee camps. Asylum-seekers and refugees tend to settle in urban areas. Furthermore, assistance to refugees in South Africa is not institutionalized (South Africa Info, 2004); asylum-seekers needing official support must turn to local authorities. Therefore, we could expect Angolans to have sought to settle where they were likely to find support from already established social networks, or they may simply have responded to labour demand in specific regions and labour sectors. Indeed, most migrants who participated in focus group discussions claimed they did not know anyone in South Africa before arriving in that country, but found other Angolans after their arrival relatively easily.

As in the case of migrants in Portugal, most respondents settled down in South Africa since they first arrived in the country (91%). Very few followed a circular migration pattern (5.4%), and even less migrants went once to South Africa, returned to Angola, and finally settled down in South Africa (3.1%), as shown in Figure 13.

Figure 13: South Africa - Migration pattern



Finally, undocumented migration exists both in Portugal and South Africa; however, only respondents in South Africa provided more detailed information on this topic. The vast majority of migrants interviewed in South Africa did not receive any kind of assistance (80.7%). However, some of the small share of respondents who did receive assistance to migrate (19.3%) claimed they had been helped by truck drivers, mostly from Namibia, to enter South Africa. In other cases migration was facilitated by cross-border agents, and in the smallest number of cases, migrants received support from official institutions.

Irregular, undocumented or unauthorized flows⁴² are one form of migration that frequently draws much official attention from receiving countries, on the basis of security and economic concerns. These flows are difficult to monitor and record; therefore, official sources tend either to under or overestimate them, which results in data deficiencies. The South African Home Affairs Department Annual Report 2007–2008 observes an increase of 18 per cent in deportation volumes during the past five years. Likewise, the report observes that projections for deportees for 2008 have increased from 312,000 to 370,000. However, it is extremely difficult to know whether these figures include Angolan citizens as data are not disaggregated by nationality; there are indications that the number of deportations to Zimbabwe is important. From the perspective of migrant-sending countries, irregular migration flows are also a matter of concern as undocumented migrants are often more vulnerable to risks such as inadequate labour conditions, low wages, denial of social benefits or access to basic services, exclusion, deportation, and abuse. This suggests that irregular migrants in South Africa are not in a good position to remit as they may lack access to stable and safe employment, social protection, and even to recorded remittance services. Further bilateral cooperation is thus essential to enforce migrants' rights and ensure their protection, regardless of their migratory status.

3.4 Main findings

As a conclusion to this section, we observe that the conflict in Angola had a major impact on emigration decisions of the many people who left the country during the 1990s. But the conflict must not be seen as the single determinant for emigration; instead, the consequences of a combination of violence, instability, limited labour and education opportunities, and the decline of living standards altogether may have influenced the emigration decisions. Many migrants who could accomplish the migration project were helped by their relatives (in the case of Portugal), as a significant share of migrants were still young when they left Angola.⁴³ In other cases, migrants may have settled in locations where they were likely to find established social networks of co-nationals (in South Africa).

This study aimed to better understand the characteristics of remittances and the opportunities to enhance their development impacts in Angola; therefore, it is worth mentioning here two features of the migration histories and patterns that may influence remittance behaviour:

- *Migration patterns:* Most Angolan migrants settled in the destination country since their first arrival. Very few have returned to Angola or have been to other countries before settling in either Portugal or South Africa. Some

authors believe that the length of stay abroad influences migrants' motivations to remit, especially if their family is able to join them, as they may slowly lose financial or moral obligations in the country of birth and become more and more integrated into the host society. Others suggest that migrants never really lose their ties to the country of birth and may eventually return and even send remittances with the purpose of settling back in the country of origin. This raises the need to consider development initiatives that take into account opportunities for collaboration with Angolans abroad without imposing return as a condition, as such terms might make collaboration unattractive.

- *Migratory status:* Most migrants were admitted into Portugal under tourist visas, and eventually became permanent residents or gained access to temporary residence permits. In the case of South Africa, most Angolans were admitted as asylum-seekers and have now become recognized refugees. It is likely that migrants in Portugal who enjoy a more stable migratory status have better labour opportunities and higher income levels than migrants in South Africa, which suggests that the former are in a better position to save and remit.

For the purpose of better understanding the determinants of migrants' remittance behaviour, the next section further describes the major sociodemographic characteristics of migrants interviewed in Portugal and South Africa.

4. ANGOLAN SENDERS IN PORTUGAL AND SOUTH AFRICA: SOCIODEMOGRAPHIC CHARACTERISTICS

As an introductory remark to this section, it is worth recognizing that remittances constitute sources of private capital, and therefore, the main stakeholders regarding remittances' utilization are senders and recipients. Indeed, many of the overall characteristics of remittances are determined by their private nature, the specific characteristics of senders and recipients, and the type of relationships between them (economic obligations, kinship and affective ties), as well as the links that migrants keep with their communities or countries of origin. It would be misleading to presume that all migrants remit or that migrants remit for the same purposes.

In this section, we focus on the characteristics of the senders and the factors that influence the senders' capacity to save and remit. Gender is here taken as a cross-cutting factor and will be mainstreamed in the analyses presented throughout this section when possible. The specific motivations to remit, which are also major determinants of remittances, are outside of the scope of this study. This is why it is recommended to carry out more qualitative research in order to gather significant empirical evidence on those aspects of the remittance behaviour.

4.1 Socio-economic background

Among the frequently analysed sociodemographic characteristics of migrants, one controversial topic is to what extent migration cuts across *class* and social status boundaries. For some scholars, migration often represents a livelihood and income diversification strategy for the poor. Others believe, instead, that migration is also characteristic of the better-off, and especially of many African elites (Black et al., 2006: 2). The findings of the study show that migration cuts across different socio-economic and demographic groups, gender roles and levels of qualification.

All migrants interviewed in Portugal and South Africa were born in Angola; the majority are male (69.5% in Portugal; 91% of respondents in South Africa). Likewise, the household survey findings in Angola report that out of the 501 migrant relatives of the heads of household interviewed, 67 per cent are male migrants. Indeed, migration flows in these corridors continue to be *male-dominated*, despite the fact that the proportion of women and girls among international migrants is nearly 50 per cent (UN-DESA, 2009). Anecdotal evidence suggests that male migrants are dominant due to the apparent uncertainties of life in the chosen host country. Male relatives are often first "sent" abroad to seek better opportunities, and once the relative manages

to stabilize his condition, other members of the family may join him. The majority of male focus groups participants in Portugal, stated they emigrated to escape war (forged or not to do military service) (Focus group discussion, Lisbon, 7 March 2009). Yet, it is difficult to know to what extent the *gender dimension* affects the remittance behaviour of interviewees. In Portugal, the sample considered only migrants (males and females) who had sent remittances within the 12 months preceding the interviews. In contrast, in South Africa, a small share of migrants interviewed (13%, or 29 out of 223 people) did not send remittances within the 12 months before the interview took place; most of them were men (76%), but as women are underrepresented in both samples, we cannot establish a clear link between gender and remittance behaviour.

Male migrants interviewed in Portugal are more likely to emigrate owing to the consequences of violence and war as well as economic hardship or in order to study abroad and search for new opportunities, while the primary reasons for emigration among women are to join a relative, search for new opportunities and study (Table 8).

Table 8: Portugal: Reasons for emigration and gender

Reason	Male (count)	Female (count)	Total
Economic hardship / need work / need to earn money	52	7	59
Political reasons	29	2	31
Escape violence / war	63	9	72
Search for new opportunities	31	19	50
Join a relative	14	20	34
Get married	1	2	3
Study	36	19	55
Other	7	4	11

In the same way, among men interviewed in South Africa, political reasons, violence and war, the search for new opportunities, and study abroad were important causes for emigration. The reasons for emigration among women are comparable to those referred to by men, although women seemingly had fewer opportunities or incentives to study abroad (Table 9).

Table 9: South Africa: Reasons for emigration and gender

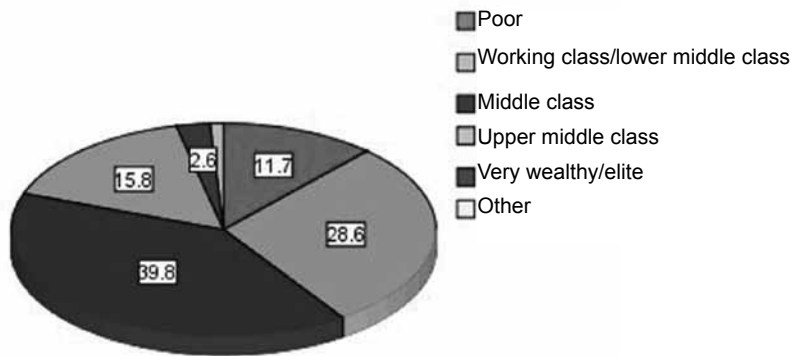
Reason	Male (count)	Female (count)	Total
Economic hardship / need work / need to earn money	12	0	12
Political reasons	100	4	104
Escape violence / war	54	5	59
Search for new opportunities	38	2	40
Join a relative	8	4	12
Get married	1	1	2
Study	19	1	20
Other	0	1	1

Most migrants in Portugal and South Africa are adults in their early or mid-thirties. The average age of the interviewees in Portugal is 35 years for both male and female migrants (those born between 1951 and 1989), and the average age of interviewees in South Africa is 32 years (with those born in 1956 and 1990 being the youngest and oldest, respectively). Women in South Africa are slightly younger than men (average age of women is 27.5 years old and men are 32.3 years old on average). The majority of these migrants were still adolescents or young adults when they first arrived either in Portugal or in South Africa.

Concerning the relationship between class structures and migration, some scholars believe that long-distance emigration is characteristic of the better-off and skilled migrants, owing to the fact that they can better afford the costs of migration. The findings of this study can only partially confirm these observations: the *socio-economic background* of people interviewed in Portugal is quite diverse compared to migrants in South Africa. Furthermore, the level of qualification of people travelling long distances, in this case, to Portugal, is not necessarily superior compared to those who remained within the SADC region.

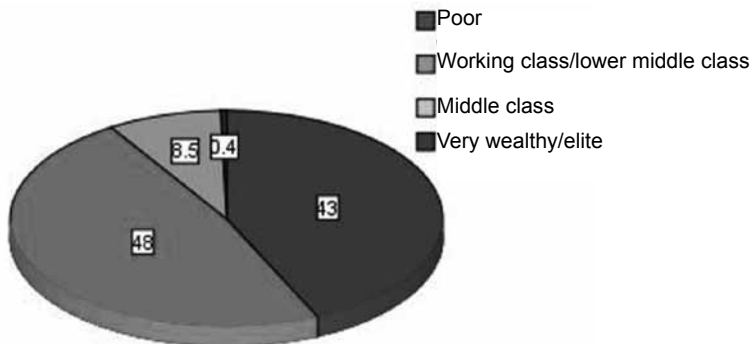
In Portugal, the majority of respondents come from Luanda city (73.6%) and according to their own perception, they come from an urban context. A small share of migrants comes from a suburban area (15.5%) and the smallest number comes from a town or village (3%). A large share of migrants claimed to come from middle class (almost 40%) and lower middle class environments (28.6%); and only a small proportion claimed to come from a poor socio-economic environment (11.7%). A significant share of migrants claimed to come from upper middle class and wealthy environments (about 18% of the sample) (see Figure 14).

Figure 14: Portugal: Socio-economic context of origin



Migrants interviewed in South Africa claim to come from different places in Luanda province (in total, 80.7%): 41.7 per cent, 39.5 per cent, 13.9 per cent and 3.6 per cent come respectively from an urban context, a suburban area, a rural or agricultural area, and a town or village. The socio-economic background of migrants in South Africa seems to be more homogeneous: 43 per cent migrants claim to come from a poor socio-economic context; 48 per cent claim to come from a lower middle class environment; and only 8.9 per cent of the sample claim to come from middle class and wealthy environments (Figure 15).

Figure 15: South Africa: Socio-economic context of origin



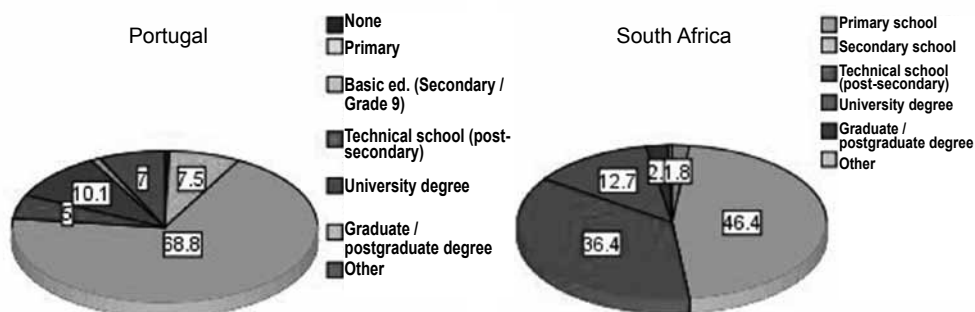
4.2 Education

The level of migrants' *qualification* usually affects their incorporation in any given labour market, and consequently it could also influence migrants' earnings or level of income and their remitting capacities. Skilled migration has been extensively studied in SADC countries, but there is also an increasing interest in the so-called *deskilling*

phenomenon, as it is widely recognized that many skilled migrants cannot always make use of their qualifications in destination societies.

Migrants interviewed in Portugal and South Africa have low levels of qualification. In Portugal, most male and female migrants, completed only basic education (Grade 9; 68.8%); others completed only primary education or have other types of education (7.5% and 7%, respectively), and very few attended a technical school after secondary school (5%) (Figure 16).

Figure 16: Education



There are no significant differences between the education level of male and female migrants, except for the proportion of migrants who attended a technical school after secondary school, which is greater among men, and the proportion of those migrants with a graduate degree, which is slightly higher among women (Table 10).

Table 10: Portugal: Education and gender

Education	Male	Female	Total
None	1	0	1
Primary	12	3	15
Basic education (Grade 9 or secondary school)	92	45	137
Technical school	10	0	10
University degree	13	7	20
Graduate degree	0	2	2
Other	10	4	14
Missing	1	0	1
Total	139	61	200

Likewise, a large proportion of migrants interviewed in South Africa completed secondary school (46.4%). Men seem to be more privileged, as they outnumber women

who attended a technical school after secondary school. The proportion of migrants with a university degree or other type of graduate education is greater among male migrants (Table 11).

Table 11: South Africa: Education and gender

Education	Male	Female	Total
None	0	0	0
Primary	3	1	4
Basic education (Grade 9 or secondary school)	90	12	102
Technical school	76	3	79
University degree	27	1	28
Graduate degree	5	0	5
Other	1	0	1
Not available	1	2	3
Missing	0	0	1
Total			223

In both cases, the share of male and female migrants who have a university degree is relatively small (10% in Portugal and 12.5% in South Africa).

4.3 Employment and income

With a low level of qualification, Angolan migrants tend to take up low-skilled jobs, frequently as employees.⁴⁴

In Portugal, nearly half of the people interviewed were employed by the time they left Angola (49.5%); the majority (80%) was self-employed and the rest were employees (18%) in diverse occupations (Annex 2). Nearly all migrants (94.5%) claimed they did not have paid employment in other countries before reaching Portugal, which is consistent with the migration pattern followed. Focus group discussions revealed that some migrants were still studying when they left Angola. However, today some have abandoned their studies because they needed to work (Focus group discussion, Lisbon, 7 March 2009). In contrast, a large share of migrants interviewed in South Africa (70% of the sample) did not have a job before leaving Angola; some were still studying at that time (Focus group discussions, Cape Town, 3 to 6 February 2009). The rest had a job requiring different levels of skill (Annex 2), mainly as employees. Very few people had paid employment in other countries before arriving in South Africa (usually for less than one year). Again, this situation coincides with migration patterns followed by Angolan migrants who, for the most part, settled down in South Africa since they first arrived in that country. Those who

had paid employment in other countries indicated they had been in Namibia (4 cases), DRC (1 case) and Mozambique (1 case).

Currently, the majority of migrants (both males and females) interviewed in Portugal are employed or self-employed (76.5%), mainly in low-skilled jobs in the service sector. The insertion of migrants in the Portuguese labour market is clearly influenced by gender. Women are likely to be employed in call centres, as clerks, confectioners, cooks, secretaries, domestic workers, hairdressers, and so on. Men tend to be employed in the construction sector (nearly a fifth of all migrants work in the civil construction sector), they also work as bricklayers, carpenters, drivers, electricians, technicians, watchmen, etc. (Annex 3). In addition, 9.5 per cent of the interviewees are students; a little over a quarter of them have a part-time job, the rest are unemployed. At the time of the interview, a significant share of the sample (17.5%) was unemployed.

Similarly, nearly all migrants interviewed in South Africa (89.5%) are currently employed or self-employed in low-skilled gendered occupations: female migrants are employed mainly in the catering sector, as hairdressers, domestic workers, etc. Men are employed mainly in the construction sector (almost a quarter of the total sample), commerce, catering, bakery and security services (Annex 3). About 3 per cent are students; half of them have a part-time job. Currently, 7.7 per cent of the sample in South Africa is unemployed. In addition, a considerable number of male migrants with a university degree have experienced deskilling.⁴⁵

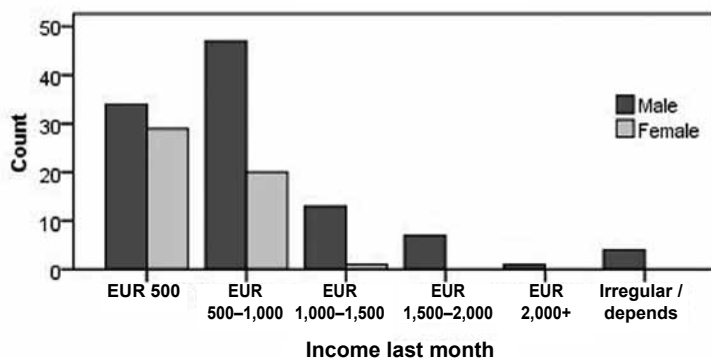
Moreover, in both Portugal and South Africa, the largest share of unemployed migrants falls within those who completed only basic education, who represent the majority. In Portugal, the proportion of unemployment, and the proportion of self-employment are both slightly higher among male migrants. In contrast, in South Africa, unemployment is higher among female migrants.

Along with access to safe and stable forms of employment, migrants' *income* is a crucial factor influencing their ability to remit. Migrants in Portugal seem to be experiencing a difficult economic situation.⁴⁶ About 65 per cent of the people interviewed affirmed they had earned less than EUR 1,000 (or US\$ 1,290) the month before the interview took place,⁴⁷ but only in 23 cases (out of 130 people who earned less than EUR 1,000) was income specified: migrants earned just a little over the minimum salary in Portugal (EUR 450 in 2009, or US\$ 580.5); on average, EUR 547.52 (or US\$ 706.3). However, 20 per cent of the interviewees in Portugal were reluctant to disclose this kind of information. Women are seemingly more disadvantaged in this regard than men (Table 12).

Table 12: Portugal - Income

PORTUGAL					
Income last month					
		Frequency		Percentage	
Valid	< EUR 500	63		31.5	
	EUR 500–1,000	67		33.5	
	EUR 1,000–1,500	14		7.0	
	EUR 1,500–2,000	7		3.5	
	EUR 2,000 +	1		0.5	
	Irregular / depends	4		2.0	
	No answer	44		22.0	
	Total	200		100.0	
Income last month < EUR 1,000					
		Range	Min.	Max.	Average
Total valid cases	23	500	400	900	547.52

PORTUGAL
Income and gender

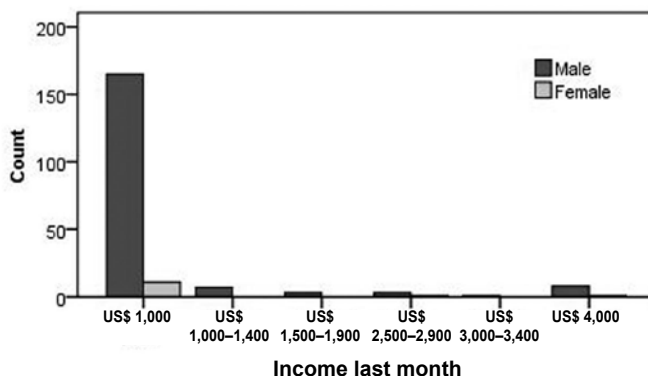


In South Africa, almost 80 per cent of the sample earned less than US\$ 1,000 the month prior to the interview. Among those who made less than US\$ 1,000, income ranges from US\$ 50 to US\$ 1,000. The average income earned by migrants the month prior to the interview was US\$ 769.54, but the average income of those who earned less than US\$ 1,000 was US\$ 483.50. Again, as many women are currently unemployed, their level of income appears to be lower than that of men, especially among those who earned more than US\$ 1,000 (Table 13).

Table 13: South Africa - Income

SOUTH AFRICA					
Income last month					
		Frequency		Percentage	
Valid	< US\$ 1,000	177		79.4	
	US\$ 1,000–1,400	7		3.1	
	US\$ 1,500–1,900	3		1.3	
	US\$ 2,500–2,900	4		1.8	
	US\$ 3,000–3,400	1		.4	
	US\$ 4,000 +	9		4.0	
	N.A.	21		9.4	
	Missing	1		.4	
	Total	223		100.0	
Income last month < US\$ 1,000					
		Missing	Min.	Max.	Average
Total valid cases	177	1	50	1,000	483.50

SOUTH AFRICA
Income and gender



It is worth mentioning that the classification of occupations of the South African Labour Department is quite detailed. In some cases, a specific minimum wage rate applies to each sector, position in the occupational hierarchy, and province in the country. As the survey did not inquire into working hours, it is difficult to assess whether workers in each specific sector are earning more or less than the established minimum wage for each specific sector and area within South Africa.⁴⁸ However, there are indications that some interviewees in South Africa are facing a difficult economic

situation, arguably linked to their migratory status. During focus group discussions, many participants expressed their interest in returning to Angola someday, as they found their situation as refugees in South Africa very difficult. Moreover, not all migrants are able to remit on a regular basis, but whenever they do so, they usually send money every few months (this is further discussed in the section on remittances). The latter depends both on their personal income, but also the rising living costs in South Africa and the weakening South African rand (Focus group discussions, Cape Town, 3 to 6 February 2009).

4.4 Family situation and economic dependants

Marital status and the number of dependants are also important determinants of senders' remittance behaviour because they have a direct impact on migrants' needs. Almost 55 per cent of interviewees in Portugal are single; they, together with those divorced or widowed, make up 62.5 per cent of the sample. In total, 74 people (37%) are married, of which 80 per cent have an Angolan partner (59 out of 74 people), and the rest have partners born in other countries including Portugal, Cape Verde, Guinea, Brazil, and Congo. The majority of migrants' spouses reside in Portugal (85% of those married). In total, 68 per cent (137 people) have between one and six children under 18 years old, regardless of their marital status. Most children reside also in Portugal, although a few live in Angola (about 18%); only in three cases were children reported to reside in other countries (Cuba, Spain and the US). Besides children, some migrants have other economic dependants, including their parents (especially the mother residing in Angola), siblings, nephews and spouse (both in Angola and Portugal), who are presumably the main remittance recipients.

Also, the majority of respondents in South Africa are married (63.7%), mostly to South African nationals (68.3% of those married). Some are married to Angolan nationals (about 25% of those married), and very few migrants have spouses from other countries (DRC, Zambia and Zimbabwe). Nearly all spouses or partners live in South Africa (135 out of 142). Moreover, 162 out of 223 migrants interviewed (72.6% of the sample) have between one and five children (on average, 1.81 children per migrant) between 1 month and 17 years old. Nearly all children (94.4%) reside in South Africa, and migrants consider children their main economic dependants. A small number of migrants also consider their parents, spouse and siblings as economic dependants.

4.5 Main findings

So far, this section has presented the main sociodemographic characteristics of Angolan migrants interviewed in Portugal and South Africa. Migrants are mainly young adults in their mid-thirties, who come from diverse socio-economic environments. Most of them come from poor, lower working class and middle class social backgrounds. In both cases, men outnumber women. The following sociodemographic characteristics might influence the remittance behaviour:

- *Education:* Most migrants have only completed basic education, although it seems that men had further educational opportunities, as a large share of them also attended a technical school after finishing their secondary education. The low level of formal instruction may compel many migrants to take up jobs with few opportunities for further training, skills or career development.
- *Employment situation:* With low levels of qualification, the majority has incorporated in low-paid, and low-skilled occupations, somehow respecting the established gendered division of labour in the respective destination labour markets. Insecure, unstable and low paid forms of employment may hinder migrants' capacity to remit. Also, it is worth mentioning that some qualified migrants have experienced deskilling, but more empirical evidence is needed to understand this particular situation. Men and women are likely to be employees instead of being self-employed, and the number of people heading a small business in the destination country is quite low (only 2 cases).
- *Income:* Although the scope of this study is limited in this regard, the low earnings of migrants in both Portugal and South Africa are a striking reality. Many migrants are experiencing a difficult economic situation. This is linked to their personal income, but in some cases this is also related to their migratory status, and to the rising living costs in the respective host societies. This may severely hinder their remittance behaviour, as well as their willingness to take risks to establish small businesses or invest in the home or host country.
- *Family situation and economic dependants:* Nearly all migrants were still adolescents or young adults when they left Angola. Although they might keep affective and economic links to the relatives they left behind, it is also true that *they have spent most of their adult lives in the destination countries*, where their main economic dependants (spouses and children) reside. Most of them have between one and five children; this situation, along with the low level of income, might hinder migrants' capacity to save and remit regularly. However, remittances are an indicator that the majority still feel that they have economic obligations in their country of birth.

In order to corroborate the findings of the interviews held with migrants in Portugal and South Africa, and to better understand migrants' remittance behaviour, the characteristics of migrant-sending/remittance-receiving households in Angola are described in the following section.

5. CHARACTERISTICS OF ANGOLAN MIGRANT-SENDING/ REMITTANCE-RECEIVING HOUSEHOLDS

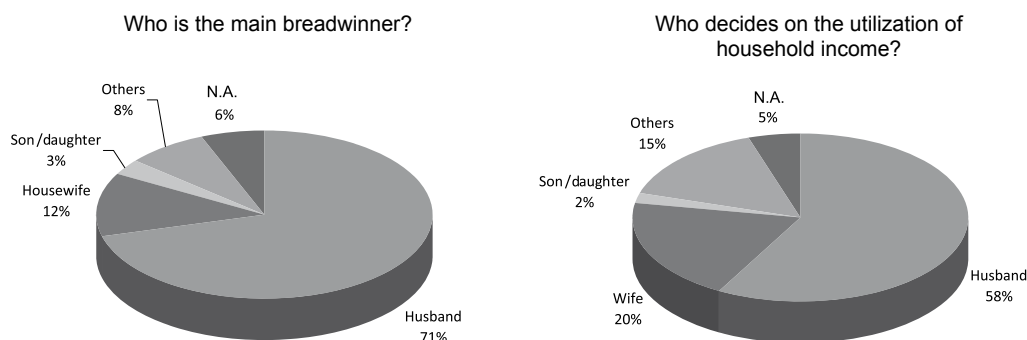
In earlier sections, it is argued that remittances are determined not only by the characteristics, needs and responsibilities of the senders, but also by the characteristics and needs of recipients. This section presents the findings of the household survey conducted in Huambo, Luanda, Luena, and Menongue, as per data analysis prepared by NGO partner Development Workshop.

5.1 Sociodemographic characteristics

The survey conducted with 404 heads of remittance-recipient households in Angola shows that these households are mainly headed by men (67% of the sample). About 30 per cent of respondents in Angola are in their thirties; 21 per cent, in their forties; 19 per cent, in their fifties; 9 per cent, in their sixties; and only 2.5 per cent, in their seventies; 17.5 per cent are young adults born in the 1980s. The mean age of respondents in Angola is 39 years old (the youngest is 17 years old, while the oldest is 78 years old). While a large share of respondents (37%) has a relative living in Portugal, only 6.4 per cent has a relative living in South Africa, which indicates that only a small share of respondents may receive remittances from this source country.

As regards gender and family power relations, men continue to be the main “breadwinners” (71% of the cases; see Figure 17) and the main decision makers concerning the utilization of household income (58% of respondents indicated it is the husband who decides on income utilization). However, an overwhelming majority of respondents (84%) claimed women (wives) must be consulted at all times as regards remittances’ utilization.

Figure 17: Angola gender relations



5.2 Education and employment

Like their relatives abroad, the majority of the heads of household interviewed in Angola have low levels of education: about 13 per cent attended some level or completed only primary education (*ensino primario, 1a–6a classe*); 30 per cent attended some level of or completed secondary education (*ensino medio, 7a–9a classe*); 29 per cent attended some level of or completed high school (*ensino secundário, 10a–12a classe*); 12 per cent attended university or have a university degree; 9 per cent attended a technical school; and only 1 per cent have a graduate (Master's, PhD) diploma.

Most heads of household are currently employed (67%) and nearly all employed respondents live in Luanda (85%), arguably because of the increasing and wider employment opportunities available in the capital city. The distribution of employed respondents in the labour market is as follows: 38 per cent are low-skilled and skilled workers; 22 per cent are office employees; 18 per cent are teachers; 9 per cent are engaged in small livelihoods/business; 8 per cent are in the military; and 6 per cent are professionals.⁴⁹

5.3 Income

Overall, these households are not extremely poor or vulnerable, as revealed by their housing conditions. The majority of the houses are made of concrete or bricks (89%), have cement floors (69%), adequate sanitation facilities (70% have a tank flush toilet system) and use liquefied petroleum gas (LPG) to cook (90%).

Moreover, 80 per cent of the respondents claimed to own their houses and 35 per cent own a portion of land. The survey also showed that 36 per cent of the respondents own a car and the majority (65%) claim to have savings. The focus group discussion revealed that sometimes part of the funds received in remittances are saved in case further remittances are “delayed” or not sent by their relatives (Focus group discussion, Luanda, 3 March 2009). Almost all households are equipped with a television, radio and electric fan, and 92 per cent own a telephone.

The households' monthly income (including remittances) ranges from US\$ 25 to US\$ 6,500. Most households live on a monthly income of less than US\$ 1,000:⁵⁰ in 40 per cent of the cases, the monthly income ranges from US\$ 500 and US\$ 1,000; in 21 per cent of these cases, it ranges from US\$ 200 and US\$ 500, and in 11 per cent of the cases, from US\$ 25 and US\$ 200.⁵¹ A third of surveyed households enjoy a higher

income: in 15 per cent of the cases, the monthly income ranges from US\$ 1,000 and US\$ 1,500, and in 13 per cent of the cases, it ranges from US\$ 1,500 and US\$ 6,500.

Undeniably, remittances constitute a source of supplementary income for many households. According to DW, in 12 per cent of the cases, remittances constitute 51 per cent to 80 per cent of the monthly household income; in 26 per cent of the cases, remittances constitute 21 per cent to 50 per cent of the monthly household income; in 18 per cent of the cases, remittances constitute between 11 per cent and 20 per cent of the household income; and in 25 per cent of the cases, they make up between 1 per cent and 10 per cent of the households' monthly income. Nonetheless, for a significant share of households (16% or 66 respondents), remittances are the primary and only source of monthly income (Table 14).

Table 14: Share of remittances in household income (%)

Percentage of remittance to household income	Frequency	Percentage
1–10	103	25
11–20	74	18
21–30	48	12
31–40	30	7
41–50	27	7
51–60	20	5
61–70	19	5
71–80	8	2
81–90	2	0
91–99	2	0
100	66	16
N.A.	5	1
	404	100

Source: DW, 2008.

5.4 Relationship to migrant relatives

Household size ranges from six to eight members, which reflects the national average of around eight members per household. Overall, it seems that most respondents (41 per cent) are the brothers and sisters of their relatives abroad. In the case of respondents with a relative living in Portugal, 34 per cent of respondents are the migrants' siblings; 22 per cent, their children; 15 per cent are the aunt or uncle; 11 per cent, the parents; and the rest have a different relationship with the migrant

relative (cousin, spouse or other). In the case of respondents with relatives living in South Africa, in 42 per cent of the cases, the respondent is a sibling of the migrant relative; 15 per cent of respondents are the parents of the migrant; 12 per cent are their children; and 32 per cent have another type of relationship with the migrant relatives (they are either the spouses, aunt or uncle, cousins or other).

5.5 Main findings

The household survey confirmed that for the most part, respondents recall that their relatives left during the period of the civil conflict. The majority of their relatives are currently living in various European countries; Portugal hosts around a third of them, while only a few migrated to South Africa. The survey further confirmed that for the migrant relatives, linguistic proximity was a key determinant for choosing Portugal as a destination, while in the case of South Africa, it was geographical proximity. The following sociodemographic characteristics of respondents may influence the senders' remittance behaviour as well as the utilization of remittances at the household level by beneficiaries:

- *Gender*: Most households are headed by men, who are the main breadwinners and who decide upon the allocation of household income (including remittances).
- *Education and employment*: About two thirds of the heads of household completed or attended some level of secondary or technical education. Nearly all respondents have taken up skilled jobs in Luanda.
- Most heads of household also recognized that their *relatives living abroad* are employed in low-skilled occupations and, according to field researchers, this is the reason why about 50 per cent of respondents chose not to indicate the kind of job their relatives have in their respective host countries.
- *Income and asset accumulation*: Monthly income, housing conditions and asset accumulation indicate that the households surveyed are not poor or extremely poor. Eighty per cent of respondents own their houses and the majority own also a vehicle and have savings. The majority of respondents (86%) receive remittances, and the average amount received monthly ranges from US\$ 100 to US\$ 400. Remittances constitute a supplementary source of income for most households, but not all of them are highly dependent on these resources, except for 16 per cent of the households, for whom remittances constitute the only source of monthly income. The former suggests that most migrant relatives may not have a compelling responsibility to send remittances in order for their families to survive.

- *Relationship to migrant relatives*: Household composition ranges from six to eight members, which is consistent with the national average. Most migrant relatives are the brothers and sisters (to a lesser extent) of the heads of household in Angola. Although most migrant relatives seem to be integrated in their host country, and may not have an obligation to remit regularly, the respondents revealed that their migrant relatives provide a valuable support to their families of origin.

In order to complete the profile of migrants interviewed in Portugal and South Africa, the next section further discusses the links that they keep with their country of birth, as well as their degree of organization in the respective host countries.

6. ANGOLANS IN PORTUGAL AND SOUTH AFRICA: ORGANIZATION AND TRANSNATIONAL ENGAGEMENT⁵²

In addition to individual transfers, there is evidence that, in some cases, migrants and their families have made collective contributions to local development initiatives, and engage in philanthropic activities, mainly through *migrant associations* in origin and destination countries. In this context, there has been an increasing interest in understanding the nature and scope of such contributions, and on building synergies and partnerships for development with migrants. In Angola, in particular, the role of migration as an opportunity for development has been only recently recognized. In order to better understand the possibilities of involving Angolans abroad in development cooperation initiatives, this section presents the survey's main findings concerning the expectations and future plans of Angolan migrants in Portugal and South Africa, as well as the links and attitudes of Angolan migrants towards their country of birth, and their degree of organization in the respective host countries.

6.1 Links to Angola and expectations about the future

Concerning the links to Angola, in Portugal some respondents have seemingly more compelling economic obligations in Angola than interviewees in South Africa. Many own land or a house in Angola; have a bank account; own a small business; have home loans; and loan money to family and friends. Nevertheless, the majority consider that they do not have any financial obligations or links to Angola other than remittances (Table 15). Migrants in South Africa, in contrast, gave much more importance to the social links they maintain with their relatives and friends, although some of them also have important economic obligations, as they own land, a house or a small business in Angola (Table 16).

Table 15: Portugal - Links to Angola

Type of link	Frequency	Percentage
Own land / house in Angola	39	19.5
Have a bank account in Angola	19	9.5
Have a home loan (land, house, construction) in Angola	6	3.0
Own a small business in Angola	15	7.5
Have a small business loan in Angola	0	0.0
Have a student loan in Angola	0	0.0
Have a health / life insurance policy in Angola	0	0.0
Loan money to family / friends in Angola	4	2.0
Other	8	4.0
No financial obligations / links	130	65.0
Entire data set N = 200		

Table 16: South Africa - Links to Angola

Type of link	Frequency	Percentage
Own land / house in Angola	34	15.2
Have a bank account in Angola	5	2.2
Have a home loan (land, house, construction) in Angola	0	0.0
Own a small business in Angola	5	2.2
Have a small business loan in Angola	0	0.0
Have a student loan in Angola	0	0.0
Have a health / life insurance policy in Angola	1	0.4
Loan money to family / friends in Angola	3	1.3
Other (family / family and friends)	127	57.0
Have no financial obligations / links other than remittances in Angola	2	0.9
Entire data set N = 223		

Furthermore, migrants in Portugal appear to have a wide range of expectations concerning investment, especially in property (acquiring land), housing, or small businesses in Angola. They also expressed interest in building up savings in a bank, expanding agricultural production, investing in higher education, etc. (Table 17). Many migrants have investment ideas in a wide range of sectors, from agricultural production to catering and real estate;⁵³ however, some of these projects or expectations may be difficult to realize because of lack of capital, access to credit or lack of skills.

Table 17: Portugal - Investment plans

Investment	Frequency	Percentage
Buy land	99	49.5
Build / buy / improve house / apartment	118	59.0
Buy / grow / start / invest in a business	86	43.0
Build up savings in a bank	55	27.5
Pay for higher education / job training	20	10.0
Pay off a business / home loan	1	.5
Buy animals / livestock	3	1.5
Expand agricultural production	9	4.5
Other	6	3.0
None	27	13.5
Entire data set N = 200		

Migrants who have no investment plans usually explained they are now fully integrated in their host country: the cores of their lives are in Portugal; they do not intend to return to Angola; or they lack the necessary capital to invest. Some still see Angola as an unsafe place; a few are uncertain about their future; others would like to go to another place or no longer have a feeling of belonging to their country of birth.

In South Africa, a large number of migrants are willing to invest in land, housing, small businesses, higher education and agriculture (Table 18). Migrants in South Africa also expressed their interest in investing in a wide range of sectors.⁵⁴ However, we have fewer details concerning the reasons why migrants have no investment interests or plans: in two cases, the stated reason were difficulties related to investment procedures, and in one case, the lack of interest in investing in Angola, as the migrant's family and life are in South Africa. Focus group discussions revealed that migrants still see many hindrances to investment in Angola.

Table 18: South Africa - Investment plans

Investment	Frequency	Percentage
Buy land	109	48.9
Build / buy / improve house / apartment	75	33.6
Buy / grow / start / invest in a business	80	35.9
Build up savings in a bank	6	2.7
Pay for higher education / job training	83	37.2
Pay off a business / home loan	0	0.0
Buy animals / livestock	7	3.1
Expand agricultural production	25	11.2
Other	1	0.4
None	15	6.7
Entire data set N = 223		

The former, somehow challenges the views of some scholars, who argue that home countries tend to be viewed as preferable with respect to personal family and safety, educational opportunities, access to land, etc.

6.2 Organization and transnational engagement

Concerning the degree of organization of Angolan migrants, the majority – 80 per cent of the sample in Portugal and 62.3 per cent of migrants in South Africa – do not belong to any kind of organization or group; the reasons behind this are quite diverse. In Portugal, migrants claimed major reasons are lack of interest, opportunity, time, information and distrust,⁵⁵ or they simply do not see any advantage in becoming

member of an association. Likewise, Angolan migrants in South Africa claimed lack of time, interest, and information as the main reasons why they have not become members of any organization. In addition, a significant share of respondents in South Africa stated that political reasons, fear and distrust prevent them from engaging with any organization or group.⁵⁶

Community organizations or groups in which a small share of Angolan migrants participates are for the most part based in LMA in Portugal, and in Cape Town in South Africa. These groups organize mainly social, cultural, leisure and religious activities, especially in South Africa. Migrant organizations in Portugal vary in scope, organization and size, and it seems that they tend to focus on the lives, rights and integration of Angolans in Portugal (Annex 4). Only a small number of these organizations in Portugal has ever made a collective contribution to the country of origin of migrants (namely donations of food, educational material, clothes and other goods), although none of the respondents specified whether they contributed individually or not. In South Africa, apparently, none of the organizations has ever made a collective contribution to the migrants' country of birth.

With reference to return, almost 70 per cent of migrants in Portugal and nearly half of migrants in South Africa plan to eventually return to Angola. A further 10 per cent of respondents in Portugal plan to stay in this country; 12.6 per cent wish to live in both Portugal and Angola, dividing their time between the two countries; 8.6 per cent are undecided; and 1.5 per cent plan to go somewhere else. In South Africa, 28.6 per cent of respondents plan to live in both places (Angola and South Africa) 11.4 per cent plan to go somewhere else; 8.6 per cent are undecided; and only 3.3 per cent plan to stay in South Africa. The former suggests that, besides the significant expectations of return, many migrants wish to participate simultaneously in both their respective host countries and Angola, showing the transnational dimensions of Angolan migration.

So far, it seems that not all migrants are currently committed to a broader contribution to the development of Angola, beyond sending remittances. However, many have *investment projects and a wish to return*, or to be part simultaneously of their current host country and their country of birth. These projects, if adequately supported with financial resources and training, could be an opportunity for governments, donors and migrants to generate positive development impacts, especially in the migrant-sending country. Nevertheless, the legitimization of development cooperation initiatives, and trust-building among Angolans abroad and between Angolans and their country of birth seem to be a precondition.

6.3 Main findings

This study is a first step to assess the significance and nature of financial remittances that migrants in Portugal and South Africa make to their relatives in Angola, as well as the possibilities of enhancing the engagement of migrants in the reconstruction and development of the country. As demonstrated by the survey findings, Angolan migrants' commitment to collective development cooperation is currently weak, either because migrants feel fully integrated in their respective host countries, or owing to disinclination towards engaging in collective initiatives with their co-nationals other than leisure, cultural or religious activities. Indeed, many migrants have doubts about the stability of their country of birth and are especially reluctant to participate in anything that seems political.

The scope and orientation of policies that intend to mainstream migration into the national development agenda depend upon the definition of development and the goals they wish to embrace. Similarly, the strategies designed to attract foreign resident populations (in the case of receiving countries) to join forces as “partners for development”, depend upon the particular economic, affective, social, political and cultural relations that migrants might keep with their country of birth or home country, as well as their standard of living, needs and responsibilities in the host country.

One of the most challenging tasks for international, governmental, and non-governmental development actors willing to encourage migrants' engagement in the development of sending countries is to get to know these actors,⁵⁷ legitimize their efforts and build trust among individual migrants and migrant associations. Secondly, their contributions will only be effective if the appropriate *institutional frameworks*, *socio-economic settings* and *political environments* are in place. *Perceptions*,⁵⁸ *images*, and *social identification* are also fundamental. Moreover, the sense of ownership of the relevant development contributions of migrants is key to their success (Ionescu-IOM, 2006: 7). This is what De Haas (2006: ii) proposes when arguing that “established development actors should recognize the added value of diaspora organizations and show a serious and long-term commitment through giving them a real say in policy formulation and access to substantial funding.”

According to Ammassari (2005: 41–42), the Government of Angola has formally acknowledged the role that the Angolan diaspora can play in national development. A Meeting of Angolan Cadres in the Diaspora (*Encontro de Quadros Angolanos da Diáspora*) was held in Luanda from 6 to 10 November 2004, which brought together 253 highly qualified Angolans residing in 25 foreign countries, and 263 national experts and policymakers. Recommendations from this meeting included the enforcement of

the rights of Angolan diaspora members, the promotion of return and reintegration of Angolan professionals, the creation of employment and income-generating and local investment opportunities. However, respondents in South Africa and Portugal, who do not correspond to the qualified target groups of return initiatives, may not benefit from such opportunities.

Return support needs to be further extended to *unskilled and low-skilled migrants*. Indeed, a recurrent concern among migrants interviewed in Portugal and South Africa was the availability of support (economic and legal, as well as for investment and labour opportunities) for return, as many of them are experiencing economic, integration and labour insertion difficulties, in both Portugal and South Africa.⁵⁹

Ammassari (2005: 32) found that MIREX acknowledged the existence of 68 diaspora associations in more than 18 countries, including Portugal and South Africa. These organizations could be *mediators* in the process of contacting Angolan lower-skilled migrants and inquiring into their needs, motivations and interests to jointly create opportunities for return and investment in Angola. The former needs a careful assessment of the objectives, resources and affiliations of each organization, as not all organizations might be suitable to promote links with Angolans abroad (see Ammassari 2005: 48). Likewise, consulates and embassies could be partners in outreach campaigns, although we must bear in mind that irregular and unskilled and lower-skilled migrants, in general, are rarely aware of the opportunities and services that such entities can offer.

Perhaps bias-free *media campaigns*, *migrant resource centres*⁶⁰ and *free hotlines* are better instruments to establish contact with migrants. These activities and entities could help expand dissemination of information and provide Angolans abroad with counselling, legal advice, information about labour opportunities in the host country as well as in the country of origin, investment opportunities in Angola, training and skills development possibilities. Interviewees in South Africa and Portugal seemed to be much more involved in leisure, cultural and religious, less intimidating organizations than diplomatic or political activities. This suggests that they are more likely to approach less formal or “intimidating” entities and intermediaries providing for resources.

As regards the collective engagement of Angolans in development cooperation, more needs to be done to expand outreach to migrants and create such opportunities for collaboration. Currently, it is unknown what kinds of *resources and skills* could be transferred from Angolans to help in the reconstruction and development of their country, without necessarily making permanent return a precondition. The Ministry of Public Administration, Employment and Social Security (MAPESS) has established

as a priority to value the Angolan workforce, and to reduce rates of unemployment. Along this line, MAPESS will create Employment Observatories to monitor and collect data on employment and develop strategies to respond to identified needs. These observatories could also contribute to track skills abroad and match them with labour opportunities in Angola, without creating competition between Angolans in the country and those abroad.

Worldwide experiences on migrants' collective engagement in the development of migrant-sending countries, and relevant policies, could be of some value here to assess the feasibility of adapting lessons learned to the particular Angolan context. Overall, recent studies show that the below recommendations are important conditions for the formulation of successful policies aimed at involving migrants and migrant organizations in their development initiatives (see particularly De Haas, 2006 and Ionescu-IOM, 2006). A first set of recommendations based on prior studies on how to involve migrants in development cooperation is outlined below:

Textbox 1: Engaging migrants in development cooperation

Recommendation 1: Definition of purposes, concepts, objectives and target groups	<ul style="list-style-type: none"> Clearly define the target group, the scope and goals of the initiative.
Recommendation 2: Create a solid knowledge base	<ul style="list-style-type: none"> Develop appropriate data collection methods to generate knowledge about the target group; the feasibility and possible impacts of the intervention (both positive and negative). <ul style="list-style-type: none"> Strengthen the national institute of statistics and design appropriate surveys and methodology to inquire into the specific causes, effects and processes of migration. Conduct more qualitative and contextualized research to inquire into migrants motivations, interests and projects. Assess the real and potential impact of migrant organizations on development, taking into account gender dimensions (i.e. through trade, investments, business exchanges, social networks, advocacy, human capital transfers, and other economic, social, cultural, political, tangible or intangible contributions).
Recommendation 3: Policy development and institutional capacity	<ul style="list-style-type: none"> Create appropriate legislative and institutional frameworks for the facilitation and management of labour migration.⁶¹ Establish clear goals, benchmarks and indicators. Design appropriate evaluation systems and methods.

Recommendation 4: Building trust	<ul style="list-style-type: none"> • Establish contact with migrants: <ul style="list-style-type: none"> - Use friendly instruments including media campaigns, free hotlines, and migrant resource centres. - Assess the feasibility of using technologies (i.e. Internet) to promote links between Angolans abroad and their county of birth, especially among unskilled and lower-skilled migrants. • Transnationalism is an opportunity of contemporary migration dynamics; many migrants are likely to simultaneously participate in more than one single economic and social context without necessarily considering permanent return. • Support locally initiated ("bottom-up") initiatives, build synergies and respect cultural and local knowledge, interests and sensitivities. • Identify potential differentials and disagreement concerning interests, motivations and development conceptions between migrant organizations and donors, governmental and non-governmental organizations; engage in processes of dialogue to resolve differences. • Support capacity-building of diaspora organizations and promote ownership of initiatives. • Build on migrants' organizations' unique features and strengths: <ul style="list-style-type: none"> - Assess the feasibility of involving Angolan leisure, cultural and religious organizations as development partners.
Recommendation 5: Create enabling environment for remittances	See section on remittances.
Recommendation 6: Assessment of capacities and skills abroad and improving strategic resource allocation	<ul style="list-style-type: none"> • Assess the availability of skills and resources among Angolans abroad and better allocate resources according to labour market needs: <ul style="list-style-type: none"> - Temporary or virtual recruitment and training schemes could be useful to satisfy the demand of human resources (both high and low-skilled) in specific sectors, without creating competition between Angolans already in the country and those abroad. - Resource centres could offer training and skills updating programmes. - Strengthen coordination between different ministries (MAPESS, MED, MINARS, MINSA, and MIREX), donors, and NGOs and civil organizations, as well as consistency of the activities of the entities concerned with migration and development in the country.

Thus far, remittances have proven to be the most tangible link between Angolans living in Portugal and South Africa and their relatives in Angola. The creation of enabling environments for remittances in these corridors depends upon achieving a better understanding of the characteristics of remittances, which is the focus of the next section.

7. REMITTANCE FLOWS FROM PORTUGAL AND SOUTH AFRICA TO ANGOLA

7.1 Introduction

In contemporary migration literature, remittances are frequently considered as one of the most tangible and direct links between migration and development. The growth in the volume of officially recorded international remittances to developing countries has renewed the interest of many scholars, international organizations, governments, donors, and non-governmental entities on the impacts that these private financial transfers could have on the economic and social development of receiving households, communities and nations. However, remittances' impacts on economic and social development remain a highly controversial matter.

At a macroeconomic level, some scholars consider remittances to be important, stable and counter-cyclical sources of foreign exchange, although recently, the global economic crisis has influenced such positive views.⁶⁴ In other cases, especially in low income countries, remittances risk destabilizing the exchange rate regimes and stimulate the creation of parallel currency markets (Chimhowu, et al. in Maimbo and Ratha, 2005: 99). At the microeconomic level, it is widely acknowledged today that remittances are private monies that go directly to households and constitute a supplementary source of income for them. Many recipients can afford their basic needs, including food, education, health, housing, clothes, etc., thanks to remittances. Nevertheless, some scholars consider that lush consumption, the demand for foreign goods, dependency, price inflation (i.e. real estate assets, building materials), further emigration and deprivation of labour force and skills, distortions in agricultural production and land use, as well as rising inequalities could also be realities associated with remittances.

The link between migration and development is extremely complex. Approaches to migration and development are enormously varied and controversial, and have been influenced by diverse and contradictory theoretical approaches (i.e. modernization, new economics of migration, dependency, world systems, transnationalism, etc.). For instance, neoclassical economic approaches consider migration as beneficial for development, as it is seen as a livelihood strategy that can help reduce the risks and imperfections of labour, credit and insurance markets in sending countries. Structuralist and Marxist approaches, in contrast, consider migration the result of global uneven development that deprives local communities of necessary resources, skills and labour force, causing further inequalities. Other theories consider that migration is a

self-sustainable process that becomes institutionalized in time, where policies have little effect. Migration also has been studied within the context of globalization and many of these approaches recognize that globalization has both positive and negative effects and that its benefits are not evenly distributed among all peoples. Exclusion and inclusion, wealth and poverty are all realities of the same phenomenon. This is why it is important to bear in mind that migration impacts are contextualized, and that donors, governments, civil society, remittance service providers and migrants can collaborate to fully harness migration's positive impacts and alleviate its negative consequences. Sorensen (2007: 4) argues that "the actual link between migration and development remains an empirical question to be studied in concrete situations." As both positive and negative impacts of the migration and remittances phenomena are highly contextualized, the question is, actually, *under what conditions and in which kind of political and legislative environments are remittances most likely to have positive impacts on economic, social and human development?*

In order to answer that question, the first step is to understand the *overall characteristics of remittances*, including the size, nature, transfer channels, and their utilization and impacts on recipients. The first of these tasks is a very challenging one, especially in Angola, where data collection and monitoring methods and systems need to be improved in order to gather reliable data on remittances, as well as more empirical evidence on their impacts. Academic institutions and experts are valuable partners in this regard.

Secondly, it is fundamental to understand the main characteristics of *remittance transfer methods and service providers*.⁶⁴ The costs and characteristics of their services (i.e. speed, physical and cultural proximity, etc.) are major determinants in the choice that migrants make to transfer their money through recorded or unrecorded channels. Service providers are also key partners in keeping records and updating data. A crucial factor affecting remittance costs is the degree of diversification or availability of service providers, as it affects competition among them. The greater the number of competitors in the remittance service market, the lower the cost of the services. For remittance services providers, the advantages of lowering costs are manifold. They could benefit from expanding services through economies of scale, or through satisfying potential demand in underserved remittance markets, or by targeting underserved (poor) clients (see Isern and Deshpande, 2005). A recurrent concern among financial and non-bank institutions, as regards the expansion of their services (financial infrastructure) to poor or remote areas, is the cost this implies to service providers. Another concern is the low level of financial inclusion among remittance recipients. Collaboration between commercial banks and smaller financial or non-bank service providers could become a good opportunity to reach out to underserved clients. Technology and innovation (i.e. mobile units) could improve cost-effectiveness of the services. Financial inclusion

and financial literacy could offer more possibilities to poor and underserved clients to save, invest or protect themselves from risks, benefiting the corresponding markets, which is particularly important given the global economic downturn. Therefore, the opportunities to involve service providers as partners in development cooperation should not be neglected.

Thirdly, remittance main stakeholders (senders and recipients) as well as service providers participate in larger local and national contexts framed by political, legislative, economic, social, and cultural factors. Understanding these factors is crucial to promote enabling *political, institutional and legislative frameworks* for remittances, in order to harness their potential developmental impacts at the household, local and national levels. Laws that enable or hinder competition among service providers (i.e. financial regulations, registration and licensing regulations, reporting and anti-money laundering regulations) are likely to have an impact on transfer costs and have a chance to influence the choice of transfer channels among senders. Likewise, in the former sections it was argued that integration, living standards and sociodemographic characteristics may affect the remittance behaviour of senders. Bilateral and regional processes of dialogue could play an important role in the harmonization of remittance-related regulations, facilitating integration of senders in their host countries, finding more avenues for legal migration, ensuring protection of migrants' rights, supporting migrants' transnational engagement and philanthropic activities, helping migrants make informed decisions concerning transfer channels, and granting them access to efficient and affordable remittance services.

Finally, this study revealed that remittances constitute an important source of supplementary income for many Angolan households; for some households, remittances are the sole source of income. Therefore, even if remittance inflows to Angola are currently not reflected in macroeconomic or social indicators, remittances go directly to households and have the potential to increase their welfare. The present section describes the overall characteristics of remittance flows from Portugal and South Africa to Angola, including transfer methods and their determinants, as well as the legislative frameworks in which such transfers occur.

7.2 Officially recorded remittance flows

Remittance flows to developing countries reached US\$ 305 billion in 2008. A decline of 5 per cent to 8 per cent is expected during 2009, although this decline is believed to be small compared to the projected fall in private capital flows or official aid to developing countries. South-South remittances from Russia, South Africa, Malaysia and India are believed to be especially vulnerable to the economic crisis. However,

new migration flows are expected to keep migrant stock stable and remittances resilient (WB, 2009). In Africa, some sources estimate officially recorded remittance flows at nearly US\$ 40 billion, of which only US\$ 2,690 million are remittance flows to Central Africa, and US\$ 1,979 million are remittance flows to Southern Africa (IFAD, 2007). Remittance flows to Central and Southern Africa appear to be relatively small compared to those received by other regions, especially Northern Africa (US\$ 17,614 million) and Western Africa (US\$ 10,399 million) (IFAD, 2007). Official figures, however, tend to underestimate the real volume of remittances, which would be much larger if those flows circulating through unrecorded channels were considered. Indeed, nearly two thirds of sub-Saharan African countries do not report, monitor, or keep records on remittances (Black et al., 2006: 14). Sometimes, even when remittances circulate through recorded channels, the mechanisms for measuring these flows are not adequate and remittances may be underreported. SADC countries, in particular, do not record remittances as a separate line item in the balance of payments estimates (Genesis Analytics, 2006: 2). Therefore, most figures about remittance inflows are actually approximations calculated using statistical methods, based on official databases.

In 2007, IFAD estimated remittances to Angola at US\$ 969 million, which represented 2 per cent of the country's GDP. If we are to believe this figure, Angola appears to be the top remittance recipient in Central Africa, followed by DRC (US\$ 636 million), Congo (US\$ 423 million) Cameroon (US\$ 267 million), Chad (US\$ 137 million), Equatorial Guinea (US\$ 77 million), the Central African Republic (US\$ 73 million) and Gabon (US\$ 60 million). However, currently, there is no reliable estimation of the size of remittance flows in Angola,⁶⁵ neither on international nor on domestic remittances. In the absence of such information, it is quite difficult to draw any conclusion regarding the trends and impacts of remittances on key indicators, such as economic growth, poverty, or income inequality.

Most importantly, the dearth of data hinders the development of a coherent and effective policy to enhance the potential positive impacts that remittances could have on economic and social development. This is why it is crucial to estimate the true size of remittance inflows to Angola, as well as to understand the characteristics of these flows and the major determinants of the choice of any particular transfer methods, including the cost of these services.

This study focuses only on international financial remittances in the bilateral corridors of Portugal and South Africa, but more research could be helpful to assess the true size of international and domestic, financial and in-kind remittances. Along this line, the first recommendation refers to *building a solid knowledge base on the universe of remitters and service providers, strengthening data collection and data collection methodologies, and establishing communication with remittance service*

providers (see also Orozco, 2005). We propose the establishment of a Working Group on Remittances in Angola that will bring together concerned institutions in the country (donors, government agencies, academic institutions, migrant associations, service providers) and in major remittance source countries (consulates, embassies, concerned ministries and service providers). Some tasks that could be undertaken by such a group are outlined in the textbox below:

Textbox 2: Working group on remittances

- Adopt an operational definition of remittances; the definition should be comprehensive enough to serve for cross-country comparison.
- Determine appropriate methodologies, theoretical frameworks and classification systems to assess the size of remittances and their overall characteristics.
- Establish an Observatory between the most important bilateral remittance corridors to monitor and report international (and, where possible, domestic) remittances as a separate line item in the balance of payments.

The following section describes the overall characteristics of monetary remittances (with a modest reference to in-kind and domestic transfers) sent by migrants living in Portugal and South Africa to their relatives in Angola, including the preferred transfer channels, their strengths and weaknesses, and remittances' legal framework in this context. Remittances' impacts on recipient households in Angola are also assessed.

7.3 Characteristics of remittance flows from Portugal and South Africa to Angola: Size, frequency, purpose and longevity

As mentioned in earlier sections of this document, migrants interviewed in Portugal and South Africa left Angola when they were still adolescents or young adults in their twenties. They are likely to be the sons/daughters or siblings of the heads of migrant-sending households in Angola. This is confirmed by the fact that, in most cases, the main remittance recipients are the parents, with the mother having a predominant role both as a focus of concern and as a recipient. The former reveals the strong links that migrants keep with this family figure.

Seemingly, unemployment and income level of migrants affect their capacity to remit, especially in South Africa, where the proportion of those unemployed among the people who do not remit is noteworthy. In addition, in a considerable number of cases, senders remit only once a year or in an irregular basis, although, on average, each migrant makes about five or six transfers during the year. The main stated purpose for remitting is to assist relatives to afford their basic needs.

In Portugal, only those migrants who sent remittances to Angola within the 12 months before the interview took place were considered in the sample (200 cases). In the case of South Africa, the majority of migrants (194 out of 223 cases, or 87%) sent remittances within the 12 months before the interview.⁶⁶

In most cases, migrants' closest relatives are the major remittance recipients, namely the *parents* (especially the mother), followed by the siblings, children and spouses/ex-spouses, as well as other members of the family (cousins, aunt, uncle). Exceptionally, recipients are also friends (including boyfriend and girlfriend). All remittance recipients appear to be highly concentrated in *Luanda*. In very few cases, migrants in Portugal reported recipients who live in other provinces, including Benguela, Cabinda, Kwanza Sul, and Uíge, among others.

In Portugal, 284 transfers were reported in the 12 months preceding the interviews. Regarding the *frequency*, 43 per cent of these transfers took place only once in the past 12 months; almost 20 per cent of the transfers were monthly; and another 20 per cent were irregular.⁶⁷ About 12 per cent of the transfers took place twice during the year, and only 6 per cent of the transfers were made every two months. The lowest number of transfers per year per migrant is one, and the highest number of transfers is 24. On average, interviewees in Portugal made about six transfers during the year.

In South Africa, only in 220 cases out of 329 transfers reported was the *frequency* of transfers specified. According to the information provided by the interviewees, 32 per cent of the transfers took place only once during the year; 24 per cent of the transfers were twice-yearly; 22 per cent of the transfers were irregular (either every 2 months, 4-6 times during the year); 16.5 per cent of the transfers took place three times during the year; and only 4.5 of the transfers were monthly. The lowest number of transfers a migrant made in one year is one, and the highest number of transfers is 36. On average, a migrant makes about five transfers a year.

When considering all amounts sent during the past 12 months, in Portugal, the lowest amount remitted by a migrant per year was EUR 100 (US\$ 129),⁶⁸ and the highest amount was EUR 30,000 (US\$ 38,700); the mean amount remitted by a migrant per year is EUR 1,380.19 (US\$ 1,780.44). The size of each single transfer ranges from EUR 25 (US\$ 32.25) to EUR 2,500 (US\$ 3,225); the average size of each transfer is EUR 252 (US\$ 325.08) and the average amount transferred per migrant per month is US\$ 111.60 (Table 19).

Table 19: Portugal - Remittances

	Total amount of money sent in the past 12 months (EUR)	Total number of transfers in the past 12 months	Average size of each individual transfer (EUR)	Average number of individual transfers per month	Average amount transferred in total each month (EUR)
Mean	1,380.19	5.92	251.48	0.4905	111.60
Lowest	100	1	25	0.08	8
Highest	30,000	24	2,500	2.00	2,500

In the case of South Africa,⁶⁹ the size of each individual transfer ranges from US\$ 30 to US\$ 1,000, while the average size of each individual transfer is US\$ 209.32. When considering all transfers made during the year, the lowest amount transferred was US\$ 30, and the highest amount reached US\$ 3,600; the mean amount transferred per migrant during the year was US\$ 817. The average amount transferred in total by migrant per month was US\$ 66.05 (Table 20).

Table 20: South Africa - Remittances

	Total amount of money sent in the past 12 months (US\$)	Total number of transfers in the past 12 months	Average size of each individual transfer (US\$)	Average number of individual transfers per month	Average amount transferred in total each month (US\$)
Mean	816.91	4.71	209.32	0.389	66.05
Lowest	30	1	30	0.1	3
Highest	3,600	36	1,000	3.0	300

There is a significant difference in the total size of remittances sent from Portugal and those from South Africa. The sum of all transfers reported by respondents in Portugal reached EUR 276,038 (US\$ 376,089.02), while those reported in South Africa reach US\$ 158,480. These figures must be interpreted with caution as migrants might not keep an accurate record of all transfers.

Also, 86 per cent of the households surveyed in Angola claimed to receive remittances from their relatives living abroad. In total, 760 transfers were reported; the lowest amount received was US\$ 10, and the highest amount was US\$ 13,334; each household received approximately US\$ 523 during the year (Table 21).

Table 21: Angola: Remittances received in the past 12 months

Entire data set	Range	Minimum	Maximum	Mean
760	US\$ 13,324	US\$ 10.00	US\$ 13,334.00	US\$ 522.7001

On average, 51 per cent of the households received between US\$ 100 and US\$ 600 in remittances every month (Table 22).

Table 22: Remittance flows to Angolan households

Remittances received in the past 12 months (US\$)	Frequency	Percentage	Average monthly remittances (US\$)	Frequency	Percentage
100–500	63	16	0	0	0
501–1,000	102	25	1–100	173	43
1,001–2,000	67	17	101–200	80	20
2,001–3,000	49	12	201–300	54	13
3,001–4,000	43	11	301–400	42	10
4,001–5,000	28	7	401–600	31	8
5,001–7,000	23	6	601–800	6	1
7,001–12,000	17	4	801–1,000	6	1
12,001–15,000	4	1	1,001–1,500	6	1
15,001–25,000	5	1	1,501–2,000	3	1
25,001–40,000	1	0	2,001–3,500	2	0
N.A.	2	0	N.A.	0	0
	404	100		404	100

Source: DW, 2008.

As regards the frequency of remittances, out of 760 reported transfers, 479 (63%) took place only once in the 12 months preceding the interview; 16 per cent of the transfers were monthly; 5 per cent of the transfers took place twice in the year; 4 per cent of the transfers took place every six months; 3.4 per cent of the transfers took place every three months; 1.3 per cent, every four months; and the rest were irregular.

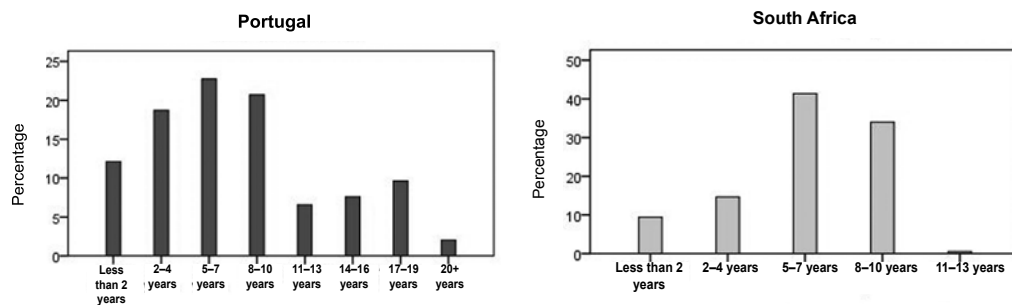
Overall, remittances' *longevity* is relatively short. In Angola, 26 per cent of the households have been receiving remittances for the past seven years; 29 per cent of the households, for the past four years; and 21 per cent, for only two years. A small share of households (13 per cent) has received remittances for ten years, and only 10 per cent of the households have received remittances for 13 years or more.

Respondents in Portugal appear to have sent remittances for a longer period than those in South Africa (Figure 18), arguably because migration to Portugal started 20 years earlier than that to South Africa. The interviews showed that a large share of migrants in Portugal and in South Africa has been sending money for a period of five to seven years (22.5% of cases in Portugal and 41.4% of the cases in South Africa). In some cases, this period extends to ten years (making up a cumulative

43% and 75.4% of the total cases in Portugal and South Africa respectively), but the longevity of remittances rarely exceeds this time period. According to 15 per cent of respondents in South Africa, they have been sending remittances for a period of two to four years, and 9.4 per cent of interviewees claimed to have sent remittances only during the past two years. A relatively important share of transfers from Portugal are also very recent: 18.5 per cent of migrants have been sending money for a period of two to four years, and in 12 per cent of the cases, they have been sending money only during the past two years.

Additionally, 125 out of 200 interviewees in Portugal (62.5%) and 166 out of 194 migrants in South Africa (85.5%) claimed that there have been changes in the frequency and quantity of remittances sent to Angola in the past ten years. Most of the time, migrants have been constrained to send less money (according to 44.5% of respondents in Portugal and 69.2% of interviewees in South Africa). The major stated reasons for these changes are usually linked to the migrant's situation in the respective host country, especially changes in the employment or income situation (50.5% in Portugal, and 57.3% of the cases in South Africa); changes in the needs and responsibilities of the sender (12% in Portugal and 22.6% in South Africa); exchange rate changes (14% in South Africa), or changes in the needs of the recipients (5.5% in Portugal).⁷⁰ However, there are also a few cases (16% in Portugal and 18.6 % in South Africa) in which migrants have been able to send more money for the same reasons.

Figure 18: Remittances' longevity



The majority of migrants interviewed in Portugal and South Africa claimed that their *purpose* for remitting is to help recipients afford their *basic or daily needs* (Annex 5): 69 per cent of transfers from Portugal are meant to help recipients afford their basic needs; in South Africa the share of this kind of transfers is 78 per cent. This is consistent with the household survey findings. In addition, a relatively important share of transfers from Portugal are meant to help recipients afford health care (most of the times for the parents, especially the mother, and siblings in the least cases) and education (either for the children or siblings). In contrast, the proportion of transfers

meant for health and education from South Africa is less significant. Remittances are also sent for the purpose of building or buying a house, and in this case, it is usually the siblings who receive the money in Angola (especially in the case of migrants living in Portugal). In extraordinary cases, migrants send remittances to assist their relatives and friends to satisfy other types of needs including emergency, investing in a business, travel, or afford legal documents.

Thus far, the study shows that Angolan migrants living in Portugal and South Africa maintain economic obligations in Angola and keep a strong relationship with their families of origin. The main purpose of remittances is to assist their relatives to afford their basic needs. Overall, migrants in Portugal remitted a significantly larger sum than migrants in South Africa. The size of the amounts sent and their frequency appear to be closely related to the migrant's situation in the host country, especially the employment situation and personal income; changes in these situations have constrained many migrants to remit less and to fewer people.

Further research is necessary to assess whether and to what extent the irregularity of remittances affects the beneficiaries. Not all migrants remit very frequently, regardless of the purpose. As shown in Section 5, remittances constitute an important source of supplementary income for many households, but most Angolan recipients are not fully or highly reliant on these financial sources; otherwise, the irregularity of these transfers would create uncertainty, or hinder recipients' planning and budgeting if based on such expected financial flows. The irregularity of remittances could be partly explained by the integration of migrants in their respective host countries, and by the fact that most of their family responsibilities (and economic dependants) are concentrated in their respective host countries. The transfer method could also affect the frequency of remittances, for instance, in the case of hand-carried remittances directly brought by migrants when they visit their family in Angola.

7.4 In-kind and domestic remittances

In addition to monetary transfers, migrants usually send *in-kind remittances* to their relatives in Angola: 166 interviewees out of 200 (83%) in Portugal, and 156 out of 223 (70%) respondents in South Africa send in-kind remittances. However, the value of such transfers is even harder to estimate than that of pecuniary remittances. Most of the time, in-kind remittances comprise consumption goods (160 cases in Portugal and 105 cases in South Africa), or household equipment (24 cases in Portugal and 16 cases in South Africa). In very few cases, migrants send production goods (8 cases in Portugal and 3 cases in South Africa). This is further confirmed by the findings of the household survey conducted in Angola, where 36 per cent of respondents claimed to

receive in-kind remittances (Table 23) including consumer goods (71%) and household appliances (19%), and very rarely, production goods (3%).

Table 23: Angola: In-kind remittances

Receiving in-kind remittance	No.	%
Yes	145	36
No	228	56
N.A.	31	8
Total	404	100

Interestingly, 15 per cent of the respondents in Angola reported that they also send money to relatives living in other provinces countrywide,⁷¹ including the capital city. However, it is difficult to know whether and what share of international remittances received by surveyed households become part of domestic remittances. Unfortunately, no information is available about the purpose of domestic remittances or transfer methods.

We observe, however, that domestic remittances usually originate in Luanda. The average amount of each single transfer to the provinces ranges from US\$ 100 to US\$ 800; 28 per cent of these transfers occur once a year; 32 per cent, on a monthly basis; and 5 per cent, on a weekly basis; in 35 per cent of the cases, the frequency of remittances is variable.

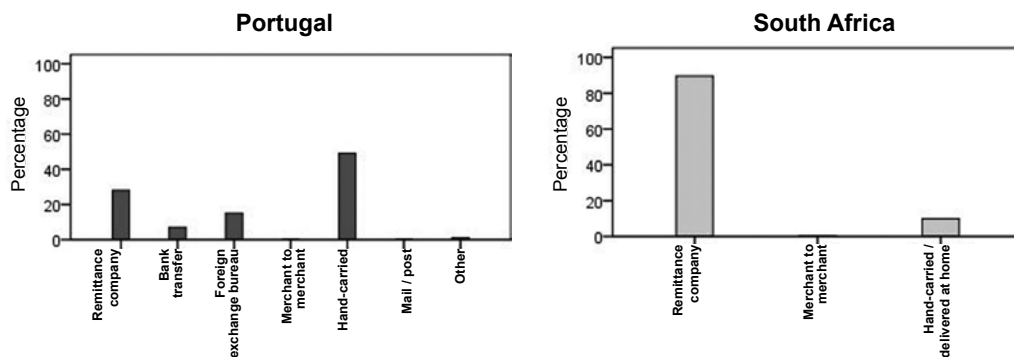
7.5 Transfer methods

The characteristics and costs of transfer methods are major determinants of the choice of any particular remittance service. Transfer methods can be broadly classified into those officially recognized and regulated by the competent authorities, or “recorded” remittance systems; and those outside of the records of the authorities, or “unrecorded” remittance systems. Unrecorded systems should not be automatically coupled with illegality or disorganization (see Buencamino and Gorbunov, 2002). The degree of formalization of a service depends upon many factors and circumstances that may overlap or change overtime, thus formality is not static (for an extensive discussion on this subject see Pieke et al., 2005).

Most Angolan migrants in Portugal and South Africa use essentially two types of transfer channels: remittance and courier companies, and unrecorded methods, especially hand delivery (Figure 19).

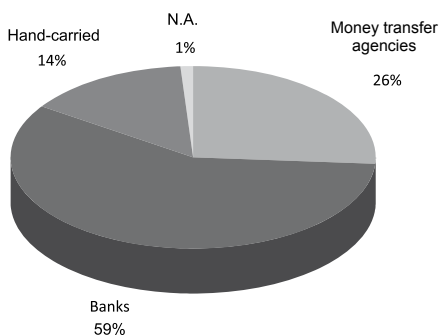
In Portugal, half of the respondents use recorded remittance systems including remittance companies, hereafter MTOs, (28%), in particular Western Union, foreign exchange bureaus (15%) and banks (7%); the rest use hand delivery methods.⁷³ Instead, in South Africa, the proportion of users of recorded services, particularly money transfer companies, is significantly higher than that in Portugal: 89 per cent of the respondents claimed to use remittance companies, while remittances are hand-carried in only 9.8 per cent of the cases (despite geographical proximity).⁷⁴

Figure 19: Transfer methods



There is a mismatch, however, in the results of the interviews held with migrants in Portugal and South Africa and the results of the household survey carried out in Angola, where the majority of respondents (58%) claim to receive remittances through banks, owing to the reliability offered by this service (Figure 20).

Figure 20: Angola transfer methods



Although 80 per cent of respondents in Angola are banked, there are indications that remittances channeled through banks may come from other countries than Portugal and South Africa. In 2003, Genesis Analytics compared the characteristics of

cross-border remittance service providers in South Africa, namely informal services, post offices, banks and money transfer agents. The study showed that bank products are significantly more expensive than any other service (Genesis Analytics, 2003). Therefore, low-income migrants, or migrants who send small amounts (as is the case of the majority of migrants interviewed in Portugal and South Africa) are not expected to be among banks' primary customers. In addition, it is believed that in the SADC, more than half of cross-border remittances travel through unrecorded channels (Genesis Analytics, 2006: 5). Furthermore, although 90 per cent of respondents in Portugal and 83 per cent of respondents in South Africa are banked, they hardly ever use bank products to remit (Table 24).

Table 24: Use of bank account

Portugal	Frequency	Percentage	South Africa	Frequency	Percentage
Send remittances	12	6.0	Send remittances	0	0.0
Manage cash flow	97	48.5	Manage cash flow	143	64.1
Take / pay loans	111	55.5	Take / pay loans	0	0.0
Save	102	51.0	Save	165	74.0
Other	1	.5	Other	0	0
N = 200 100.0%			N = 223 100.0%		

Other intermediaries through which respondents in Angola receive remittances include remittance companies, travel agencies, merchants, and relatives, friends or known persons who bring remittances in person. In very few cases, respondents claimed to use a combination of methods (bank transfers and hand delivery, bank transfers and postal services).

The next section sheds further light on the determinants of the choice of remittance transfer methods, and assesses some of the strengths and weaknesses of remittance services currently used by senders interviewed in Portugal and South Africa.

Transfer method determinants

Remittance service providers, both recorded and unrecorded, usually target specific markets and clients in order to operate profitably. Overall, it seems that there are a number of characteristics that make remittance services more or less attractive for different client groups. For low-income senders, and arguably for any sender, the choice of a transfer method is frequently influenced by the *cost* and the *speed* of the service, the *degree of information* that the senders have about available services, the *accessibility* (cultural, technological and physical) and the *reliability* of the service.

As many migrants seem to make low earnings and send small amounts per month (a migrant transfers, on average, EUR 111.60 (US\$ 144) per month in Portugal, and US\$ 66.05 in South Africa) we expect them to turn to less expensive and efficient transfer methods available in the market. Nevertheless, the table below shows that reliability is the most important characteristic influencing migrants' choice of any transfer method, followed by the cost and the speed of the service (Table 25).

Table 25: Transfer method determinants

PORTUGAL			SOUTH AFRICA		
Determinant	Frequency	Percentage	Determinant	Frequency	Percentage
Low cost	86	43.0	Low cost	106	47.5
Reliable	96	48.0	Reliable	115	51.6
Convenient location	11	5.5	Convenient location	39	17.5
Fast	74	37.0	Fast	87	39.0
Only choice	6	3.0	Only choice	56	25.1
House delivery	3	1.5	House delivery	14	6.3
N = 200 100.0%			N = 223 100.0%		

Strengths and weaknesses of recorded remittance systems: Money transfer and courier companies, banks, foreign exchange bureaus

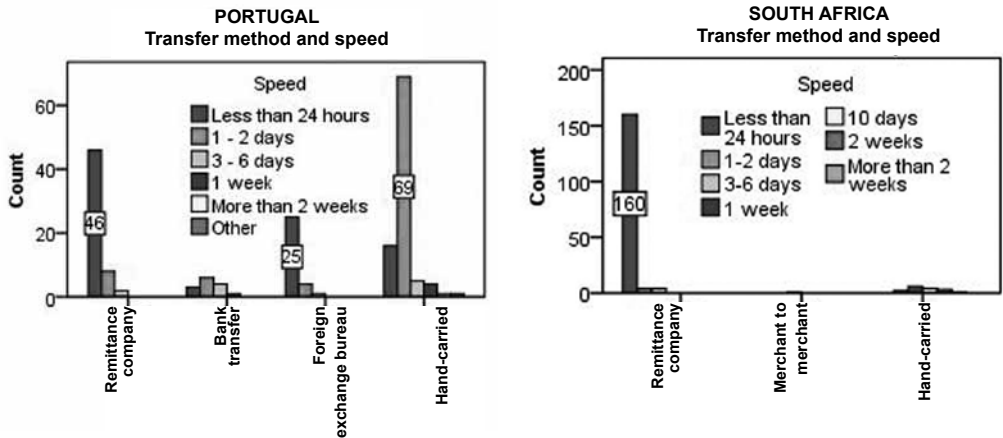
Recorded services currently used by migrants in Portugal and South Africa include money transfer companies (MTOs), courier companies, banks and foreign exchange bureaus.

MTOs and courier services are preferred owing to the speed and the reliability of the service, which constitute the major strengths of such service providers. In Portugal, the most popular remittance company is Western Union. MTOs, especially Western Union, have a large distribution infrastructure in sending and receiving locations and their brand is now familiar to almost anyone. This is also a major advantage as visibility is directly linked with migrants' degree of information on available services. In addition, most MTOs offer instant transfers and do not require their clients to prove identity, residence or other documents. In this sense, their services are highly accessible. Likewise, Grace World Service, Full Service Company and DHL in South Africa enjoy a high level of trust among the senders, and seem to attract clients also because of the low cost and speed of the service (Annex 6). Grace World and Full Service are small companies, owned by Congolese nationals, with a presence in Africa. Although these companies deal with courier services (similar to DHL), they also offer cash delivery services. Both companies are not well-established in South Africa

or Angola (Grace World has 2 branches in Luanda, and Full Service, 1). Moreover, migrants use DHL to send goods/items to their relatives in Angola.

Remittance companies in both countries remain highly competitive as regards speed, although hand-carried remittances from Portugal are quite fast,⁷⁵ despite the distance factor (Figure 21).

Figure 21: Speed of transfer method



In addition, most migrants in Portugal consider that remittance companies are more reliable than foreign exchange bureaus and banks. However, all of these methods are perceived as less reliable than hand-carried remittances. In South Africa, in contrast, remittance companies are considered as the most reliable method (Figure 22).

Figure 22: Reliability of transfer method



One of the most important disadvantages of recorded remittance systems in general is their cost. On average, migrants in Portugal and South Africa who use recorded remittance services pay a fee corresponding to about 10 per cent of the amount sent, which is high, especially when this applies to small amounts.

Banks and foreign exchange bureaus are other types of recorded services currently used by migrants in Portugal. Apparently, the most important reason why migrants use bank products is their reliability. In the case of foreign exchange bureaus, it is mainly the speed and reliability that make these services attractive. However, in the case of South Africa, bank products are not popular. There are indications that the most important weakness of bank products is their cost. Genesis Analytics found that cross-border remittance services offered by banks in South Africa are the most expensive, arguably because SWIFT fee and commissions are charged on each transaction, even when funds are transferred to subsidiaries of the same bank in other countries (Genesis Analytics, 2003). The authors further argue that South African banks have largely neglected the development of intra-Africa remittance products due to the lack of adequate branch networks and distribution infrastructure in many SADC countries. Many of the current non-South African networks of South African banks have been acquired through the purchase of existing banks with different systems, which make inter-account transfers more difficult to achieve (Genesis Analytics, 2003: 42). Other authors argue that banks do not consider remittance services as a core product because small remittances are not as profitable as larger loans or investments (Ratha and Riedberg, 2005), and thus banks are often discouraged to extend their services to poor clients. In addition, banks can only serve the banked population, who have some degree of financial literacy and are usually concentrated in urban areas.

Another disadvantage of bank products is related to speed: those respondents who receive remittances through banks in Angola indicated that transfers take from two or three days to more than a week to be completed, from the time remittances are sent in the source country. Remittance companies, apparently, are not particularly fast either, as most respondents who receive remittances through MTOs claimed to receive their money in the same time period as those who use banks.

Strengths and weaknesses of unrecorded methods: Hand-carried remittances

The most important advantages of unrecorded methods, and particularly of hand-carried remittances are that they are usually cost-free, and the fact that they are trust-based. Freund and Spatafora argue that unrecorded channels are significantly cheaper than official channels. The former charge between 2 per cent and 5 per cent

of the amount transferred, while the latter can charge up to 20 per cent (Freund and Spatafora 2005: 9; see also Pieke et al., 2005). Other advantages attributed to unrecorded systems relate to the fact that they operate outside of foreign exchange, licensing and reporting regulations, which improves the speed and convenience of the service offered. Furthermore, unrecorded systems are usually highly accessible (geographically and culturally) to many clients and they usually offer anonymity to senders. Unlike their recorded counterparts, unrecorded remittance systems hardly ever require any identification documents and do not rely on complex infrastructure or payment systems. This makes them fairly accessible for people who cannot provide proof of identity/residence/work/earnings, or who are not familiar with financial products or transfer technologies.

The main weaknesses of unrecorded remittance services relates to the arbitrary imposition of fees by service providers, few guarantees for senders in case their transfers are lost, and exposure of intermediaries to risks including theft and violence. In the case of hand-carried remittances, however, it would be misleading to assume that they are completely cost-free if the purpose of travel is only to remit.⁷⁶ Hand-carried remittances are also subjected to the cost of exchanging the money into local currency (Pieke et al., 2005: 20). Hand-carried remittances present another limitation, as certain categories of migrants are less likely to return to visit their relatives and deliver money in person, especially refugees and irregular migrants; some senders have to trust unknown persons to deliver remittances to their relatives in Angola. Moreover, unlike funds transferred through recorded channels, those that circulate through unrecorded channels are difficult to track and do not contribute to the macroeconomic benefits (such as those relating to the balance of payments) of recorded remittances. However, Pieke et al., (2005) argue that efforts towards improving recorded services and lowering remittance costs should not curtail their informal counterparts, as this would cause considerable hardship to migrants and their dependants, unless and until poor and underserved populations have access to equally efficient, affordable and accessible transfer methods (see also Pérouse de Montclos, 2005).

Opportunities

So far, the study showed that remittance senders who use recorded remittance systems pay high fees and have few options available to remit; the remittance market in the corridors of interest seems to be dominated by remittance companies, small courier companies and unrecorded intermediaries. Therefore, many actors would directly benefit from an improved remittance market. First, remittance senders and recipients would be positively affected as their transfers would be less costly. Also, remittances circulating through recorded channels would contribute to macroeconomic benefits. Remittance service providers could also benefit from a more enabling environment

for remittances if they expanded their services to underserved areas and populations; they could operate profitably through economies of scale benefiting from the collection of low transaction fees. There are two major areas in which collaboration between authorities and remittance service providers could be of value to improve remittance services:

Lowering costs

Ratha and Riedberg argue that remittance costs respond to the pricing to remittance consumers, and the true costs to service providers. Consumer pricing is directly affected by: a) the number of competitors in the market; b) the cost to service providers;⁷⁷ and c) consumer preferences, usually influenced by consumers' degree of information on services available (Ratha and Riedberg, 2005:15). The following textbox contains some recommendations on lowering remittance costs:

Textbox 3: Lowering remittance costs

- **Improve competition among service providers by:**

- Using marketing strategies to improve senders' and recipients' degree of information on available services.
- Remittance companies are usually present in locations that offer migrants a wide range of services including phone and internet services, travel etc. This helps reducing staff and location costs to service providers.

- **Promote innovation and the use of technologies and improve payment systems** to be able to reduce remittance costs and provide more efficient services. Some examples include the following:

- Credit and money transfers through mobile remittance products (via mobile phones) are possible in some countries, thanks to partnerships established between banks and cell phone companies.
- Pre-paid remittance cards can be bought in shops or online, allowing recipients in some countries to withdraw money from Automated Teller Machines (ATM) without the need to be banked.
- Online retailers, health and education vouchers transferred online or via SMS, are also efficient remittance methods and usually target the recipients' concrete needs.
- Giving access to Automated Clearing Houses (ACH) to remittance service providers, besides banks, constitutes another option to reduce remittance costs, as ACHs would substitute manually operated payments, improving their efficiency, and reducing staff costs (Ratha and Riedberg, 2005: 25).
- The Universal Postal Union (UPU) is also expanding its International Financial System (IFS). The IFS is a software application that facilitates electronic money transfers between public postal operators, and between postal operators and commercial banks (domestic or international). About 30 postal systems, out of which 14 are in African countries, have joined the IFS.
- UMVA is a transaction system for micropayments on the Internet that helps reduce transaction costs. UMVA is also launching a transaction system especially developed for small banks and cooperatives to offer electronic banking products.

Expanding services to underserved populations

As mentioned earlier, MTOs usually have a large branch network in sending and delivery points. However, other remittance service providers, such as banks, tend to be

concentrated in urban areas, so they leave poor and rural populations underserved (a poor financial infrastructure may exclude potential clients from using formal services). Furthermore, some entities require senders to provide full identification details or documents that many low-income migrants, and especially irregular migrants, are not likely to possess. It is believed that the more migrants have access to recorded services and the more they are informed about the range of services available, the more they are likely to stimulate competition and influence prices. Along this line, recommendations to expand remittance services to underserved populations are outlined in the textbox below:

Textbox 4: Expanding remittance services

- **Improve financial infrastructure and financial literacy**, especially in underserved areas.
 - Partnerships with financial and non-financial institutions, such as credit unions, microfinance institutions, NGOs, postal and courier services, which have better outreach to underserved populations (especially the poor), could help expand services. Moreover, such institutions are usually culturally close to their clients, and are therefore in a better position to improve financial literacy among them.
- **Help remittance senders and recipients** make informed decisions through the dissemination of information. There are a number of initiatives led by development cooperation agencies, private actors and national entities to improve migrants' awareness on remittance services and costs. The following are some examples:
 - France: Envoid'argent, <http://www.envoidargent.fr/>
 - UK, DFID: Send Money Home, <http://www.sendmoneymoneyhome.org>
 - Germany: GTZ GeldtransFAIR, <http://www.geldtransfair.de/>
 - Mexico: Remesamex, <http://portalif.condusef.gob.mx:8000/Remesamex/home.jsp>
 - MoneyMove: <http://www.moneymove.org/English/httpdocs/index.cfm>
 - Global-money-transfer: www.global-money-transfer.com
 - Australia: Send Money Pacific, www.sendmoneypacific.org
 - Philippines: Bangko Sentral ng Pilipinas, http://www.bsp.gov.ph/about/advocacies_ofw.asp
 - World Bank: Remittance Prices Worldwide, <http://remittanceprices.worldbank.org/>

As the opportunities to reduce remittance costs and expand remittance services depend partly upon the characteristics of legislative frameworks that regulate them, the next section analyses remittance-related regulations in the countries of interest.

7.6 Remittances' regulatory framework

Most of the times, formal cross-border remittance service providers must comply with a set of financial, reporting and anti-money-laundering regulations in order to be able to operate in a given country. As mentioned earlier, these regulations may influence the consumer pricing of the services, as they may directly affect the costs to providers. In this section, we analyse remittance-related regulations in the corridors of interest, namely the development of the financial sector and financial inclusion in

Angola, the remittance-receiving country, as well as remittance-related regulations in Portugal and South Africa, the remittance source countries.

Angola

In Angola, the establishment, activities and supervision of all banking and non-banking financial institutions are regulated by the *Lei das Instituições Financeiras* (Law No. 13/05, 30 September 2005).⁷⁸ According to the Law, only banks and authorized non-banking financial institutions (foreign exchange bureaus, foreign exchange broker companies, and in some cases, hotels, travel agents, tour operators and duty-free shops) can undertake foreign exchange transactions (regulated, in turn, by Law No. 5/97, 27 June 1997;⁷⁹ Instrutivo No. 04/2009, 20 April 2009).⁸⁰ The National Bank of Angola (*Banco Nacional de Angola*, BNA) is the main authorizing entity of banking and non-banking operators in the country and it is responsible for their overall supervision. It is also the main foreign exchange authority.

The Angolan banking sector is growing at a significant rate. In 2006, the number of branch offices of public and private banks increased by 20 per cent and 55 per cent, respectively (AfDB/OECD, 2008:131). The number of licensed banks rose from 16 in 2007 to 21 in 2008. Currently, there are 19 authorized foreign exchange bureaus. Other banking services are being expanded, such as the Visa credit card system, which became fully operational in 2007. The number of ATMs in the country also rose from 143 in 2005 to 287 in 2006 (KPMG, 2007: 20). Nonetheless, financial technologies and the geographical distribution of branches throughout the country need to be strengthened.

The banking sector is also undergoing significant transformations. As of January 2008, a new regulation, based on the adoption of Basel II regulations, entered into force. Stricter accounting and prudential rules will entail tightening of credit before banks adapt to the new environment by increasing capitalization (AfDB/OECD, 2008: 131). Some authors believe that such a competitive context, along with new supervision and regulations of the sector, will encourage service providers to differentiate themselves by launching new financial products and services, improving technologies, investing more in human resource training, and diversifying into new business areas (KPMG, 2007). This opens up great opportunities for introducing innovative remittance services and improving existing ones.

Despite the significant growth and competition within the sector, in 2006, only 5.8 per cent of the population (or about 1 million clients) had a bank account (KPMG, 2007: 5), which is low compared to other sub-Saharan Africa middle-income countries where the share of population with access to banking services is 25 per cent (AfDB/

OECD, 2008). Moreover, the commercial banking sector is dominated by five banks (*Banco de Poupança e Crédito*, BPC; *Banco do Fomento de Angola*, BFA; *Banco Africano de Investimentos*, BAI; *Banco Internacional de Crédito*, BIC; and *Banco Espírito Santo de Angola*, BESA), managing over 85 per cent of the sector's total deposits (KPMG, 2007: 12). As mentioned earlier, banks have often neglected the development of remittance products because such products may not be as profitable as their core activities. Banks often have little penetration in low-income areas. Although this may not be problematic for many households receiving cross-border remittances in Luanda, there are indications of a potential demand for low-cost remittance services in provinces that benefit from domestic remittances originating in the capital city. Moreover, most migrants interviewed in Portugal and South Africa claimed to come from lower middle class, working class and poor socio-economic environments. This implies that their relatives in Angola may have limited access to financial services. Some authors observe that the inefficiency of financial systems and a low level of financial inclusion among the population could encourage the use of informal remittance intermediaries (Buencamino and Gorbunov, 2002).

In order to improve financial inclusion, in 2005, BNA created a division specialized in microfinance in anticipation of an appropriate legal framework (AfDB, 2005; see also AfDB, 2008c: 14-15). Currently, BNA, the United States Agency for International Development (USAID) and the WB-IFC, are expanding microcredit financing to small and medium enterprises through banking institutions such as *Novo Banco* (absorbed by BAI in October, 2007). *Novo Banco*'s capital base is estimated at US\$ 4 million and has disbursed more than 1,000 loans with a value of US\$ 6 million to Luanda's small entrepreneurs (WB, 2008). *Novo Banco*, also offers free of charge deposit facilities with no minimum deposit requirement and foreign exchange and checking facilities (The Economist, 2004: 26-27). Other institutions that offer microfinance products include *Banco Sol*, BPC, and *Banco Keve*.

As regards the linkage between microfinance and remittances, we cite here two examples. *Banco Sol* has about seven years of experience in the microfinance domain and a considerable international presence. Although its main products had been concerned with microcredit in the past, it will soon implement a new money transfer service in partnership with MoneyGram (Interview with *Banco Sol* representative, 26 February 2009). Some NGOs are also participating in financial deepening and exploring the provision of remittance services. *KixiCrédito*, a microfinance programme under the NGO Development Workshop, became an independent non-bank financial institution in December 2006. It formerly targeted urban vendors and employed a group lending methodology, with compulsory savings as collateral, but has recently introduced individual lending as well as housing loans. In 2008, *KixiCrédito* had about 11,000 active borrowers in two focal areas (Luanda and Huambo). Recently it

expanded in the provinces of Benguela, Bie, Cabinda and Zaire. KixiCrédito has also been contacted by Monex for a possible partnership in providing remittance services. Other large remittance companies (i.e. Western Union) are not yet so present, and only two banks (BCA and Millennium) are holding this service. This leaves open enormous opportunities for smaller service providers willing to fill such gaps.

The household survey showed that the remittance market in Angola is currently dominated by two types of recorded service providers: banks and remittance companies, but services are costly and sometimes even slow. Partnerships between commercial banks, remittance companies and smaller financial institutions, such as credit unions and microfinance intermediaries, and even with non-bank institutions (courier companies, postal services, migrant associations, NGOs) with better outreach to poor people, could be further explored as an option to expand financial services, including affordable remittance products in Angola.⁸¹ The development of new remittance-related products, partnerships and business areas will depend upon the formulation of appropriate laws and laws and regulations for the new activities, products and services. The ongoing review of the Law on Financial Institutions could enhance the opportunities to further diversify and expand the remittance market. In general, policies that reduce exchange rate volatility and improve financial inclusion in the remittance-receiving country and competition among service providers have good possibilities to influence and increase the supply of affordable and efficient remittance services.

Along with financial deepening and financial inclusion, monetary policy exerts an influence on the remittance environment. Strict currency controls, overvalued official exchange rates, high tariffs and taxes, as well as political instability in receiving countries are believed to contribute to the rise of black markets for foreign exchange and the use of unrecorded transfer channels (Buencamino and Gorbunov, 2002: 5). In Angola, oil revenues, external financing, and rising deposits in the national currency kwanza (KZ) have allowed the maintenance of the monetary and exchange rate stabilization policy, and the consequent rise in value of the national currency in relation to the US dollar since 2006. The currency is expected to remain stable at around Kz 75: US\$ 1 in 2008–2009 (The Economist, 2008; see also AfDB/OECD, 2008: 128). However, at the macroeconomic level, some authors argue that while the strength of the kwanza has allowed a decrease in the cost of imports, with a significant impact on consumer prices, this could be potentially damaging to the non-oil sectors of the economy, such as agriculture and industry, by limiting its export capacity (KPMG, 2007: 8). Additionally, although inflation rates have stabilized at 12 per cent in the past two years (AfDB/OECD, 2008:128), inflation continues to affect the most vulnerable populations as it touches even food articles. The government expects to further reduce inflation to 10 per cent.

Finally, as mentioned in earlier sections of the document, many Angolan migrants are willing to invest in small businesses in Angola. The *Basic Private Investment Law* (Law 11/03)⁸² opens opportunities for individual and corporate private investment. This could benefit not only remittance service providers, but also members of the diaspora willing to set up a business in Angola. However, productive investment opportunities are unlikely to be further expanded to lower-skilled and poor Angolans living abroad, unless they receive support to obtain credit and adequate training to set up viable businesses. Access to credit is still low throughout Angolan society, but it seems to particularly affect women, because they often do not have the collateral that lenders require (AfDB, 2008c: 14–15). Therefore, the adoption of a gender approach in all microfinance initiatives would also be of value.

Portugal

In Portugal, the execution of financial transfers to the exterior is currently regulated by the General Framework for Credit Institutions and Financial Societies,⁸³ which outlines the principles for the establishment of credit and financial societies and regulates their activities. According to this Law, the institutions authorized to carry out foreign exchange transactions comprise banks and foreign exchange bureaus (identified as financial societies). A working paper prepared by IOM Lisbon also notes that Dec.Law 53/2001, of 15 February 2001, allows foreign exchange institutions to transfer and receive funds from abroad, provided that they have the capital stock and infrastructure required to undertake such activity. Through Announcement 3/2001, of 7 March 2001, the minimum capital required to undertake remittance transfers was fixed at EUR 500,000; if the activity involves third parties, the agencies willing to operate in this market must have an insurance with a minimum value of EUR 250,000. A maximum amount of EUR 12,500 can be transferred at once or in several transactions by one single person, but if the amount exceeds that limit, the sender is required to identify the origin and destiny of the funds in writing, in order to justify the operation, as well as to identify the beneficiary/beneficiaries (Law No. 11/2004, 27 March 2004).

There are currently several service providers in the Portuguese remittance market (banks, MTOs, postal services and unrecorded intermediaries) using a narrow range of transfer methods and technologies (Table 26).

Table 26: Processes of remittance transfer in main institutions in Portugal

Institutions	Transfer execution				Documentary identification of the client		Exchange rate	
	Counter	ATM	Telephone	Internet	Always	Depends on the amount	Indicative	Fixed
Western Union / Millennium BCP	√	x	√1	√1	√	x	√	x
CTT	√	x	x	x	√	x	√	x
Western Union / Cotacâmbios	√	x	x	x	√	x	x	√
Western Union / Unicambio	√	x	x	x	√	x	√	x
WU / Caixa de Crédito Agrícola	√	x	x	√2	√	x	√	x
Money Gram / Montepio Geral	√	x	x	x	√	√	√	x
Money Gram / Novacâmbios	√	x	x	x	x	√3	√	x

Source: IOM Lisbon, own elaboration.

Note: The number 1 refers to clients of the bank; 2 refers to the case of a company client; and 3 refers to cases where the transfer amount is below EUR 850 and therefore does not require identification of the sender.

However, only two companies seem to be the major players: *Western Union* and, to a lesser extent, *MoneyGram*. Western Union has been present in Portugal since the 1990s and has a large network of more than 1,400 agencies in the country. This company has also established agreements with postal offices (CTT), banks including *Millennium BCP*; *Caixa Geral de Depósitos*; *Caixa Central de Crédito Agrícola Mútuo* (C.R.L), and foreign exchange bureaus (*CotaCâmbios*). In the case of *MoneyGram*, the company has a network of more than 337 agencies in Portugal, and it has a special agreement with *Montepio* bank and the foreign exchange bureau *Novacâmbios*. IOM Lisbon further found that *MoneyGram* seems to charge slightly higher fees than those applied by Western Union (Table 27). *MoneyGram/Novacâmbios* fees are often smaller, but the euro–US dollar exchange rate applied by Western Union/Millennium BCP is lower than that of *Novacâmbios*. IOM Lisbon found that prices applicable for money transfers from Portugal to Angola on 8 March 2009 were the following:

Table 27: Remittances' transfer costs: Money Gram and Western Union (8 March 2009)

Remittances from Portugal to Angola										
Amount	Fees (EUR)		Fees (% of the amount)		Final amount (EUR)		Exchange rate (EUR/US\$)		Final amount (US\$)	
	Money Gram / Nova Câmbios	Western Union / Millennium BCP	Money Gram / Nova Câmbios	Western Union / Millennium BCP	Money Gram / Nova Câmbios	Western Union / Millennium BCP	Money Gram / Nova Câmbio	Western Union / Millennium BCP	Money Gram / Nova Câmbio	Western Union / Millennium BCP
100	12	16.5	12	17	88	84	1.2	1.26	106	105
200	15	22.5	8	11	185	178	1.2	1.26	222	224
300	17	26.5	6	9	283	274	1.2	1.26	340	345
400	22	31.5	6	8	378	369	1.2	1.26	454	464
500	30	35.5	6	7	470	465	1.2	1.26	564	585
600	30	35.5	5	6	570	565	1.2	1.26	684	711
1,000	43	59.5	4	6	957	941	1.2	1.26	1,148	1,185
1,500	66	69.5	4	5	1,434	1,431	1.2	1.26	1,721	1,802
2,000	71	89.5	4	4	1,929	1,911	1.2	1.26	2,315	2,407
2,500	84	110	3	4	2,416	2,390	1.2	1.26	2,899	3,011

Source: IOM Lisbon, own elaboration.

The interviews conducted with migrants in Portugal revealed that MTOs are generally considered as highly reliable and fast, and that migrants who send money through MTOs mostly prefer Western Union. We further observed that MTOs often do not require migrants to provide identification details, thus these services are quite accessible, even for migrants whose situation is irregular. Nonetheless, it appears that fees are particularly high for small amounts, regardless of the service provider, and that consumer prices vary according to the region where the agencies are located in Portugal. According to IOM Lisbon, the least expensive remittance service available in Portugal is the Post (a fee of EUR 6,55 applies to a transfer of EUR 100; and a fee of EUR 7,95 applies to amounts from EUR 101 to EUR 500, which is the limit per transaction, per person. However, postal services are not as fast as MTOs and they do not count with a wide distribution network in receiving countries, especially in Angola. This means that there is still room for other players to enter the market, willing to offer more efficient and affordable services.

One initiative to improve the degree of information among senders about service providers in Portugal, and ultimately to improve competition and lower transfer costs, is the website *Euromed4All*,⁸⁴ launched by the Border and Alien Service in 2008. The website provides useful information about remittance services (namely through banks), particularly in Algeria, France, Italy, Libya, Malta, Morocco, Portugal, Spain and Tunisia. However, as this is a Mediterranean initiative, the website does not include countries in sub-Saharan Africa.

Furthermore, while Portugal is here considered a remittance source country, it also remains an important remittance-receiving country. Indeed, the largest Portuguese banks began developing special departments to monitor and develop remittance business in the early 1980s, and established remittance offices in foreign countries with a large concentration of Portuguese immigrants. According to Buencamino and Gorbunov (2002: 10):

“The offices were equipped with proprietary transfer systems with daily file transfers to Portugal. The service was offered for free. To complement these structures, agreements were made with local travel agents to facilitate and expedite the transfers. As a result, by the late 1990s, deposits from emigrants represented about 20 per cent of total deposits in the Portuguese banking system.”

Thus, while services that facilitate remittance inflows were developed very early, the outflow remittance market is still narrow and little diversified.

As shown in Table 28, apparently money transfer services are predominantly inward, but remittance outflows from Portugal are not negligible and it would be of value to further improve services and competition in both markets.

Table 28: Remittance transfers to and from Portugal (in millions of euros)

	Angola		Cape Verde		Guinea-Bissau		Brazil	
	Immigrants	Emigrants	Immigrants	Emigrants	Immigrants	Emigrants	Immigrants	Emigrants
2003	8	9.4	1.7	10.3	6.2	0.1	168.984	NA
2004	11.1	20.6	3.0	12.7	5.7	0	216.468	NA
2005	13.7	23.4	2.0	17.3	2.6	0	269.632	NA
2006	11.5	32.9	2.9	20.0	4.6	0	NA	NA
2007	12.3	48.1	2.6	22.3	6.1	0.6	NA	NA

Source: Banco de Portugal; IOM Lisbon, own elaboration.

South Africa

South Africa's regulatory framework for remittances has often been studied as part of extensive research on remittances in the SADC region (see for example Genesis Analytics, 2003, 2005, 2006) This section is based on a working paper prepared by IOM Pretoria. The remittance regulatory framework in South Africa comprises Exchange Control, Immigration, and Anti-Money Laundering regulations.

Exchange Control regulations are unique to South Africa, and while they do not prohibit remittances, they present some challenges to senders and service providers. First, exchange controls distinguish between two types of remittance senders: residents, and non-residents and temporary residents. Only permanent and temporary residents in South Africa who have a work permit and can provide proof of lawful earnings are allowed to remit funds from South Africa (most of the time these are skilled workers). Non-residents (including undocumented migrants) are not legally allowed to earn money, and thus not allowed to remit. Temporary residents need a work permit to access the financial system. However, in reality, even for migrants with the right documentation, access to financial services remains difficult; this is particularly true for refugees and asylum-seekers. Although Refugee IDs are becoming more widely accepted these days, not all banks allow refugees to open a bank account.⁸⁵

Exchange Control regulations also limit the export of rand and place costly requirements on remittance service providers to obtain authorized licenses from the South African Reserve Bank. Secondly, dealers are required to report all transactions on the Cross-Border Foreign Exchange Transaction Reporting System. Installing the reporting system is not only costly, but the data which needs to be reported per transaction is extensive (residence permit number, address, phone number, proof of identity, utility bill to prove residential address, as well as the purpose of the transfer, description of source of funds/income such as pay slips), and the task is time-consuming. In addition, all documentation has to be executed in person at the branch,

and not through Internet banking systems (for a more detailed discussion on the South African remittance-related legislation, see Genesis Analytics, 2003, 2005, 2006). In this way, exchange control regulations substantially increase the costs to service providers and ultimately to remittance senders (especially for small transfers),⁸⁶ and discourage healthy competition among service providers. Four major banks⁸⁷ currently control about 90 per cent of the market. Recently, other institutions have been authorized to operate in the country: MoneyGram (since 2005) and Western Union (since 2008). The study further revealed that among Angolan migrants in South Africa two small companies (Grace and Full Service) are very popular. The Full Service branch in Cape Town has closed down but it is difficult to assess whether the reason behind this is anyhow linked to the costs and requirements imposed by Exchange Control regulations.

Overall, net transaction cost of formal transfers reflected in total cross-border fees are significantly more expensive than those charged by unrecorded intermediaries and/or post offices, which are not subject to Exchange Control. However, the Post Office's upper transaction amount is limited to 2,000 rand per person, per month for legal migrants. Postal offices also require identification of clients to prevent people from surpassing this limit.

Furthermore, while the South African Immigration Act privileges skilled immigration, and it is highly restrictive as regards other kinds of migration, such as undocumented and low-skilled migration, as is the case of some Angolan migrants interviewed in South Africa. The Immigration Act also interacts with other regulatory frameworks including the Financial Intelligence Centre Act (FICA), enacted in 2002. The act requires authorized financial institutions to establish and verify the identity of any client before engaging in any transaction. This provision, along with the Exchange Control requirements of residence status or a work permit to remit, as well as proof of income, are extremely difficult to comply with for undocumented migrants and/or migrants who work in the informal economy. Therefore, these migrants are likely to be excluded from access to recorded remittance systems. Genesis Analytics (2006: 11–12) reports: “To address the access to finance impact of FICA, FICA Exemption 17 was introduced. [...] The exemption dispenses with the requirement to obtain and verify the residential address of clients, but maintains the requirement to present a South African identity document.”

While many Southern African governments, including South Africa and regional/continental bodies such as the SADC and the African Union, recognize the potential developmental impacts of remittance flows and diaspora mobilization, informed policy and decision-making related to these issues is hampered by lack of information and a poor competitive environment for service providers to offer efficient, reliable and affordable remittance products for all senders.

Anti-money laundering regulations

Since the early 1990s, when anti-money laundering initiatives became popular, and especially after the 11 September 2001 terrorist attacks, remittances have come under greater scrutiny, because of the concern that they could be potentially used to finance criminal or terrorist activities, particularly if they circulate through unrecorded channels. Many remittance source countries, including Portugal and South Africa, are members of the Financial Action Task Force (FATF), which has developed major recommendations to hamper money laundering and financing terrorism. Some of these regulations (i.e. Special Recommendation VI on alternative remittance of the Financial Action Task Force⁸⁸) could hinder competition among different service providers, because “they effectively either exclude smaller national and ethnic niche money transfer operators from the legal money transfer market, or else drive them into illegality and beyond oversight” (Pieke et al., 2005: 35).

While security and transparency concerns are perfectly valid, it is also important to ensure a healthy competitive environment for service providers, as well as to guarantee access to formal services to all types of clients, regardless of their socio-economic background or migratory status. As regards remittance source countries, we concur with Pieke et al., who said that: “...regulating money transfer from their shores adopt a light-touch approach, also in their dealings with developing countries, particularly by taking care not to exclude small businesses that often operate in an ethnic or national niche, that are often the main if not sole remittance operators available to specific migrant groups” (2005: 36). Pérouse de Montclos (2005: 3) further observes that the fact of being undocumented (or, as he puts it, “illegal”), is different from criminality, illegitimacy or unreliability. This is a very important distinction that remittance-related regulations should consider.

Thus far, the remittance environment in the corridors of interest shows there is still room to further diversify the market and expand cheaper and more efficient services for the benefit of remittance senders and recipients, but also for smaller service providers with better outreach to ethnic markets and underserved populations. A recurrent recommendation in remittance literature is to foster healthy competition among service providers. Ratha and Riedberg (2005:1) suggest the first major step towards facilitating international remittances to developing countries is to recognize remittance services as a “self-standing industry separate from banking services” which would contribute to the simplification and harmonization of remittance regulations.⁸⁹ Creating more appropriate and specific licenses for remittance service providers other than banks could enable competition, and creating official alternative identification requirements for senders (i.e. the *Matrícula Consular*⁹⁰) could help expand access to recorded systems.

7.7 Remittances' utilization and impact on receiving households in Angola

This section presents the findings of the household survey conducted in Angola regarding remittances' utilization and impacts, according to data analysis carried out by DW. As discussed in the introduction to the remittance section, the impact of remittances on economic and social development remains a controversial topic. The concept of development, as embraced in the MDGs, is now widely accepted in the international community. As the concept of development is enlarged, it becomes increasingly difficult to distinguish between remittances' "productive" and "consumptive" investments, or remittances' developmental and non-developmental impacts, especially if one considers that the main categories of remittance expenditure usually contribute to reduce hunger and improve education and health. Moreover, even when remittances are invested in "productive activities" such as small businesses, this does not necessarily mean that remittances will contribute to generate profit, or create employment. This is particularly true for badly run businesses, or those operating in the informal economy or where the labour force is constituted of unpaid family members. Indeed, such kind of businesses may also have negative impacts on power relations, especially on women, as they could create a double workload from business and housework. Catherine Cross (2003: 16) further argues that remittances' utilization and contributions to what is normally considered as productive investments depends upon the degree to which receiving households can manage their revenues. In her own words:

"Well-organized households are able to accumulate wealth and resources, by investing remittances in family housing, children's education or business activities. These investments can be considered 'productive', as they help to improve the household's future economic position, and render the family more secure. Weaker households, on the other hand, struggle to save, and are continually cut back by unexpected events, which burn up any resources that they have put aside for the future. For such households, productive investments of remittances may not be an option."

Although the household survey is not comprehensive enough to further discuss these issues, it does provide some insight into remittances' utilization and their micro-level or household impacts. Many scholars argue that remittances' utilization may be determined by the needs of the members of the receiving household, but also by gender roles and power relations within the households. To better understand resource allocation in the surveyed households, we inquired into household decision-making processes. The survey revealed that it is often the head of the household

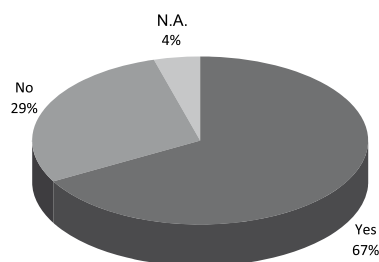
who decides how to use or spend remittances (according to 80% of respondents). It is worth recalling here the fact that the majority of these households are headed by men, who are also the main breadwinners. In 12 per cent of the cases, the decision is made by both the migrant relative and the head of the receiving household, and only 5 per cent of the respondents affirmed it is the migrant relative (or remittance sender) who decides how the money will be used. This is consistent with the findings of the interviews in Portugal and South Africa, where an overwhelming majority of respondents (81.5%, and 88.4%, respectively) claimed that it is the person who receives remittances who decides on their use. In addition, the majority of respondents in Portugal (78.5%) claimed they know how the money sent is used. In contrast, in South Africa, only 13.5 per cent of migrants know how remittances are used. The household survey further revealed that remittances help households to meet their basic necessities, buy consumables and pay for utilities (according to 67% of respondents). Fourteen per cent of the households also use a portion of remittances for business purposes; only 1 per cent of the respondents claim that they use part of the remittance funds for agricultural activities.

Food

Food constitutes a major basic need met through remittances in receiving households: 67 per cent of the households claimed to use remittances to purchase food. Interestingly, despite the fact that the majority of surveyed households receive remittances from migrant relatives, 14 per cent of the respondents claim they still cannot afford to buy some food items that they need. However, remittances have helped to improve the eating habits of the majority of the household respondents: 29 per cent of the heads of household affirm their families can afford to eat more often; 14 per cent of the households have better quality food; and 11 per cent of the heads of household reported that their food is more varied (Table 29).

Table 29: Remittances and food

How remittances change eating habits	No.	%
Eat more often	117	29
Eat better quality of food	55	14
More diversity	43	11
Others	27	7
N.A.	162	40
Total	404	100

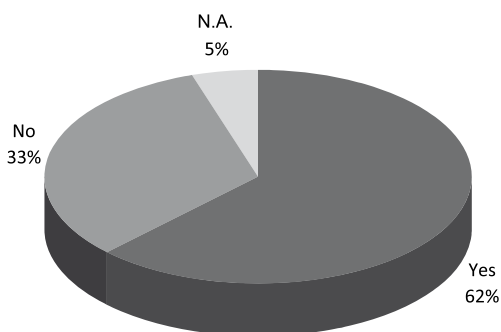


Source: DW, 2008.

Education and health care

The survey also revealed that remittances help households afford education: 62 per cent of respondents claimed to use migrant remittances to afford school expenses of members of the family (Figure 23). Remittances' contributions to education are especially important in a country where only 27 per cent of students entering Grade 1 complete Grade 4 (AfDB, 2008a), and where girls are particularly disadvantaged: girls represent 29.6 per cent of school dropouts due to early pregnancy and their involvement in house work. Indeed, the household survey revealed that the educational needs of a total of 252 people are being met through remittances: 55 per cent are the sons and daughters of the head of the household (of which only 15 are girls); 19 per cent are the brothers and sisters of the head of the household; and 26 per cent are other relatives or members of the household. Better education opportunities for children are likely to have positive impacts on the availability of qualified human resources in the long run. Moreover these children are likely to have better work opportunities than their relatives abroad and the heads of household, who have low levels of qualification.

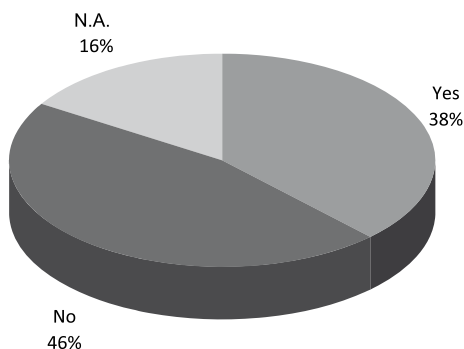
Figure 23: Remittances spent on education



Source: DW, 2008.

In contrast, 46 per cent of the respondents claimed that remittances are not normally available during medical emergencies (Figure 24); however, 38 per cent claimed that the migrant relative would send remittances in these cases. Most heads of household admitted that in such situations, and while waiting for remittances to come in, the respondent would normally use the family income coming from salaries, or would make use of his or her social resources and ask for a contribution among members of their clan. A couple of respondents also mentioned they would borrow money to pay the medical bills. Although not mentioned by respondents, remittances may contribute to repay such loans.

Figure 24: Remittances sent in case of emergency



Source: DW, 2008.

Housing

Apart from basic needs, remittances are often used in other contexts to improve housing conditions. In Angola, most respondents have concrete houses with concrete floors, with adequate sanitation facilities and equipped with basic appliances (i.e. electric fan, TV, radio). Not surprisingly, only 17 per cent of respondents claimed to use remittances for house repairs. In addition, while 80 per cent of respondents own their house, only 4 per cent claimed that a portion of remittances received were used in whole or in part for the acquisition of their house. However, 23 per cent of respondents claimed that remittances have been used partly or in full for the acquisition of a piece of land.

Resale

Finally, the survey revealed that a large share of households that receive in-kind remittances (42%) also resell some of these goods and convert them into cash.

7.8 Main findings

The household survey showed that remittances are important sources of income for receiving households in Angola, regardless of the utilization of these funds. The study confirms what is already widely avowed in remittances literature: a large share of remittances is used to meet basic needs including food, education and health care, while only a small share of those funds is re-invested in income-generating activities, businesses or asset-creation. Among the latter, the resale of in-kind remittances seems to be a common practice that generates supplementary cash for some Angolan households.

According to a recent survey on remittances' productive investment in Africa,⁹¹ political instability, inadequate infrastructure, low access to credit, bureaucracy and corruption, lack of knowledge of the local markets, weak legislative frameworks, macroeconomic imbalances and inflation, and the lack of qualified human resources are amongst the major challenges to investment in the continent (Africa Recruit, 2005). Migrants interviewed in Portugal and South Africa share many of the following concerns regarding investment opportunities in Angola: a) the difficulties linked to the procedures for setting up a business in Angola (especially registration); b) the high taxation of goods imported into Angola; c) the difficulties linked to refugee status,⁹² and the difficulties in obtaining citizenship status in their host countries; d) distrust vis-à-vis official (government-run) initiatives; e) the costs of remittances; and f) the expansion of skills development opportunities.

As regards the allocation of remittance funds at the household level, the study also found that it is the head of household who decides on remittance utilization, but we cannot establish a clear link between gender and remittances utilization, as women are underrepresented in the sample.

Remittances clearly contribute to the welfare of these households, but their impacts are limited in some sectors:

- *Food security and agricultural development:* Remittances' contributions to food security are not negligible in the context of the global economic downturn,⁹³ but they are particularly important in a country where inflation and a high dependency on food imports affect the prices of food articles, and where poor infrastructure and remaining landmines limit agricultural development and transportation of goods by land from the provinces to the capital. It is essential to underline, however, that the majority of remittance recipients are concentrated in Luanda and its periphery, and they are gainfully employed in the service sector. Therefore, the share of remittances directed to agricultural production is insignificant. This is quite important for a country that is striving to revitalize agricultural and rural areas. Moreover, poverty, climate change and other environmental phenomena are affecting rural livelihoods⁹⁴ and rural migration patterns worldwide, and Angola is no exception. In this context, remittances are not likely to have significant impacts, unless financial deepening helps domestic remittances reach rural households (i.e. through the development of effective urban–rural remittance systems and financial inclusion), and effective policies that promote rural employment and development (i.e. adequate property and land tenure regulation) are put in place. The study found that there is a large share of cross-border remittance-receiving households in Luanda that send remittances to

other households in several Angolan provinces. Therefore, the need to expand affordable and efficient remittance transfer systems applies for both internal and cross-border remittances. Also, there is a need to continue expanding opportunities to revitalize agricultural livelihoods (see case study on Moxico, in Kaun, 2008), especially for women, as their needs might not be fully met owing to family power relations.⁹⁵

- *Education:* Remittances are used to meet the educational needs of many household members. This is a major step towards improving their capabilities, and ultimately, the Angolan's society human capital in the long run. It is worth mentioning here that the expansion of education and training without labour opportunities is a tricky endeavour. The link between education and incorporation in the labour market is not automatic. Job training programmes are more likely to be successful if they are part of a package that includes basic education, vocational training, employment services, and social services.
- *Health care:* Seemingly, a sector in which remittances' impacts are small is health. Most respondents recognized that remittances are not likely to reach the recipients "on time", in case of emergencies; many of them may turn to their own social resources or take loans to be able to afford medical care. Moreover, the interviews held with migrants in Portugal and South Africa found that health care is not among the main reasons why migrants remit (particularly for migrants in South Africa), or at least not explicitly (perhaps this is much more a matter of interpretation, as the reason "basic/daily needs" is sufficiently wide to involve health care). However, remittances may help families to pay off their loans, whether these originate from medical care or other needs.
- *Inequality:* Finally, it could be argued that in a country where geographical disparities in basic service delivery are still present (for instance, education and health facilities), and where income distribution is also uneven, remittances' impacts are uncertain, especially in the context of the current economic crisis.⁹⁶ On the one hand, it is true that remittances improve the welfare of recipients and that they are also transferred from Luanda to other regions; thus remittances may also have significant impacts on receiving families living in other provinces than Luanda. On the other hand, remittances seem to concentrate in urban areas with better service delivery and where better-off households are based. In this sense, remittances could contribute to intensify income and social inequality, particularly among recipients and non-recipients. In a context of uncertainty, it would be of value to strengthen the social protection system⁹⁷ and expand financial deepening in Angola to help people save and protect themselves from risks, as well as to continue supporting vulnerable businesses (and especially rural livelihoods).

8. CONCLUSIONS

This study aimed, firstly, to create a socio-economic profile and assess the remittance behaviour of Angolans living in Portugal and South Africa, as well as their degree of organization and transnational engagement. Secondly, the study aimed to understand the overall characteristics of migrant remittances from Portugal and South Africa to Angola, including the legislative frameworks that regulate them, and the impacts of remittances on Angolan households. Finally, the study aimed to identify potential strategies to enhance the developmental impact of remittances in Angola.

The study showed that most Angolans left their country of birth during the 1990s, when intense fighting was going on in Angola. Although the consequences of the armed conflict in Angola might have influenced emigration decisions, migration is a complex phenomenon and the accomplishment of the migration project depends not only on causal factors, but also on the combination of many enabling factors. In the case of Portugal, linguistic and cultural proximity and the existence of established social networks facilitated Angolans' immigration in that country. South Africa was a convenient destination for many Angolans due to geographical proximity. The end of apartheid and subsequent recognition of refugees made South Africa a suitable destination for asylum-seekers during the 1990s.

Angolans living in Portugal and South Africa have spent most of their adult lives in these countries. But the fact that the core of their lives and major responsibilities are concentrated in their respective host countries has not prevented them from continuing to support their families of origin through remittances. Today, a large proportion of Angolans living in Portugal enjoy a more stable migratory status than migrants in South Africa (where the majority of interviewees have refugee status), and they are likely to be in a better position to save and remit. However, it is also true that remittances are not sent very frequently and many migrants have been constrained to send smaller amounts of money owing to the difficult economic situation they are currently experiencing (linked or not to their migratory status), and the rising living costs in their respective host countries. In fact, Angolan remittance-receiving households are seemingly not highly reliant on these alternative sources of income, except for 16 per cent of the surveyed households, who claimed to be totally dependent on remittances.

Indeed, as their experience in the host country becomes increasingly difficult, many Angolans are evaluating the possibilities to return and set up businesses in Angola (regardless of the viability of such projects), or to seize opportunities brought by transnationalism and simultaneously participate in both their country of birth and their host countries. Nevertheless, a large proportion of interviewees find there is little support from authorities in this regard. Also, Angolans' degree of organization and

transnational engagement in development cooperation, philanthropic activities and investment in their country of birth is quite weak. Building mutual trust between the Government of Angola and the diaspora seems to be a precondition for any initiative aiming at pooling resources from Angolans living in Portugal and South Africa, or building synergies with the diaspora for the benefit of Angola.

Along this line, the **first set of recommendations** is to: a) get to know migrants, understand their interests, motivations, needs, perceptions and social identification; b) legitimize official initiatives and approach migrants through credible, bias-free and non-politicized intermediaries/instruments; c) engage in processes of dialogue to identify and resolve disagreements and differentials; d) continue expanding support for return (including opportunities for investment, training and skills development) to low-skilled migrants; e) promote ownership of initiatives among potential migrant partners in development.

Moreover, while many migrants interviewed in Portugal and South Africa wish to invest in their country of birth, they still see many hindrances to investment opportunities in Angola. Along this line, the **second set of recommendations** intends to address migrants' concerns: a) facilitate the procedures for setting up a business in Angola; b) lower customs fees on goods imported into Angola; c) disseminate information on investment opportunities in Angola; d) facilitate migrants' mobility between the host country and Angola (i.e. support through bilateral processes for the regularization of Angolans' migratory status and promotion of their transnational lives); e) build trust vis-à-vis official (government-led) initiatives; f) lower remittance costs; g) expand opportunities for skills development for Angolans abroad to help them gain the necessary qualifications to set up their life in Angola; h) foster healthy competition among small businesses.

While the involvement of Angolans in collective development initiatives and investment projects could be considered a key objective of a long-term migration and development agenda, remittances are the most direct link Angolans keep with their families of origin at present.

One of the main hindrances to effective remittance-related policy development in Angola is the dearth of data. Even when remittances may not appear as important as other sources of foreign exchange to Angola, or their impacts are not reflected in macroeconomic or social indicators, these supplementary resources help beneficiaries to meet their basic needs, especially food security and education. Most importantly, while cross-border remittance beneficiaries tend to be based in Luanda, the study revealed that some cross-border remittance beneficiaries also send on domestic remittances to other provinces. This finding is key, as it highlights the need to strengthen financial

inclusion in Angola, and to create more enabling environments for both cross-border and domestic remittances. Currently, the dominant remittance service providers in the corridors of interest are money transfer companies (especially Western Union), small courier companies (Grace World and Full Service) and unrecorded intermediaries. This indicates that there is still room for increasing healthy competition among recorded service providers, and ultimately lower remittance costs. This would not only benefit remittance senders and recipients, but would also facilitate the monitoring and reporting of remittances circulating through recorded channels.

Along this line, **the third set of recommendations** is to: a) create a working group on remittances whose main tasks would be to adopt an operational definition of remittances, and monitor and report cross-border and domestic remittances; b) lower remittance costs through the development of appropriate legislative frameworks for remittances, as well as through innovation and the use of technologies; and c) expand both cross-border and domestic remittance services, fostering financial inclusion and improving the dissemination of information on recorded systems among remittance senders and receivers. As remittances' developmental impacts are limited in scale, it is fundamental to continue supporting rural livelihoods, expanding access to basic service delivery, protecting vulnerable businesses, creating employment and strengthening social protection systems. Remittances' developmental impacts are likely to be further enhanced under the framework of pro-poor human and sustainable development policies that address persisting inequalities.

ENDNOTES

1. Until 2006, the *IMF Balance of Payments Statistics Yearbook* recorded three main types of monetary transfers: workers' remittances, compensation of employees, and migrant transfers. Workers' remittances are defined as private transfers from migrant workers who reside less than one year in the host country. Compensation of employees is the entire labour income earned by residents who stay in the host country for less than one year. Migrant transfers are capital transfers from one country to another. More comprehensive international definitions of remittances are being elaborated. In 2006, the United Nations Technical Subgroup on Movement of Persons – Mode Four, and the IMF Committee on Balance of Payments Statistics, both known as the “Luxembourg Group” proposed the following definitions:
 - a) ***Personal transfers*** consist of all current transfers in cash or in-kind made or received by resident households to or from other non-resident households. *Personal transfers* thus include all current transfers from resident to non-resident households, independent of: (a) the source of income of the sender (be it wages and salaries, social benefits or any other type of transfers, including transfers from a person receiving no income and running down his/her assets); (b) the relationship between the households (be it between related or unrelated persons); (c) the purpose for which the transfer is made (be it inheritance, alimony, lottery¹, etc.).
 - b) ***Personal remittances*** = *personal transfers* + *net compensation of employees* + *capital transfers between households* [...] *Personal remittances* reflect the inflows to a household either from another household or from a member of a household working abroad.
 - c) ***Total remittances*** = *personal remittances* + *social benefits*. *Total remittances* would thus include *personal remittances* and social benefits directly to households from other institutional sectors, namely corporations, government and non-profit institutions serving households (NPISHs).
 - d) ***Total remittances and transfers to non-profit institutions serving households (NPISHs)*** = *Total remittances* + *Current transfers to NPISHs* + *Capital transfers to NPISHs* [...] As credit entries, *total remittances and transfers to NPISHs* would thus cover all flows from abroad which are either receivable by households directly or indirectly through NPISHs in the home countries for the benefit of households.

Source: UN Technical Subgroup on Movement of Persons - Mode 4, 2006.
2. The Migration Data for Development Commission has recently issued a set of draft recommendations to improve the availability and quality of migration statistics: 1) ask basic census questions and tabulate the answers; 2) exploit administrative data sources; 3) leverage existing surveys; 4) provide access to

- microdata (a basis for further research, in particular on individual cases); 5) build capacities for data collection and dissemination (UNITAR, 2008: 2).
3. The border countries of Angola are: the Democratic Republic of the Congo (2,511-km border, of which 225 km is the boundary of discontinuous Cabinda Province), the Republic of the Congo (201-km border), Namibia (1,376-km border) and Zambia (1,110-km border).
 4. Demographic data come from projections made by the National Institute of Statistics (INE), based on fragmentary censuses conducted in some secured provinces (AfDB, 2005).
 5. The 18 provinces are: Bengo, Benguela, Bie, Cabinda, Cuando Cubango, Cuanza Norte, Cuanza Sul, Cunene, Huambo, Huila, Luanda, Luanda Norte, Lunda Sul, Malange, Moxico, Namibe, Uige, and Zaire.
 6. Other national languages are: Umbundo, Kimbundo, Kikongo, Chokwe, Mbunda, Luvale, Nhanheca, Gangela, Xikuanyama.
 7. In 2006–2007 Angola paid the bulk of its principal and interest arrears to Paris Club creditors (AfDB, 2008a; IMF, 2007). Debt service as a percentage of GDP dropped from an average of 22 per cent between 1997 and 2006, to 4.8 per cent in 2007. Moreover, in September 2004, China agreed to provide Angola with a US\$ 2 billion concessional credit to rebuild infrastructure, which today stands at US\$ 7 billion (AfDB/OECD, 2008: 129). Other creditors are Brazil, Portugal, Germany, Spain, and the EU. See also: Mecaunhub, China concede novo crédito a Angola durante visita do primeiro-ministro, 2006, *Négocios & Mercado*, Angola, 21 June, http://www.angoladigital.net/negocios/index.php?Itemid=47&id=301&option=com_content&task=view, accessed 20 February 2009.
 8. This means that the sector has recovered rapidly since the end of civil conflict; some sources suggested that Angola has lost US\$ 1.4 billion, or US\$ 350 million per year, in smuggled diamonds since 2000 (The Economist, 2004: 24). The diamond sector faces some challenges including the organization of the operations, the alluvial nature of diamond mines and the ambiguity of the legislation regarding the ownership of the enterprises and licensing (AfDB, 2005).
 9. The Economist, following a forecast from FAO, reported that cereal production was expected to fall by 14.5 per cent in 2008 to 738,000 tonnes, or 3 per cent below the five-year average. This coincides with the country's cereal import requirement forecast of 739,000 tonnes, which points to the need of improving food self-sufficiency (The Economist, 2008). However, it was reported that output of cattle, pigs and poultry were expected to grow by 12.5 per cent in 2008, which indicates the development of livestock breeding.
 10. According to an article by François Misser, the Israeli LR group is developing the Aldeia Nova project in Waku Kongo, Kwanza Sul Province, aimed at producing 173,000 tonnes of sugar cane and 179,000 cubic metres of bioethanol (Misser,

2008: 71). In addition, the OECD and the AfDB believe Angola could become one of the most important producers of biofuels in Africa, as Sonangol, the Brazilian company Odebrecht and the Angolan firm Damer signed an agreement to set up a new biofuels company, Biocom. A total of US\$ 200 million will be invested in a 30,000-hectare sugarcane plantation, which will produce enough fuel annually to fire a 140-megawatt power plant (AfDB/OECD, 2008: 125).

11. The conflict had different consequences for men and women. As many male lives were lost in the war, the number of female-headed households increased, as did the workload of women, who took on growing responsibilities at home and in the communities. Many women became heads of household because of being members of polygamous households, male-labour migration or conscription. A survey conducted by the Ministry of Agriculture and Rural Development (MINADER) and FAO in 2004 estimated the proportion of female-headed households at 31 per cent of all households, constituting the majority of households living in extreme poverty (AfDB, 2008c: 4).
12. In 2007, the Ministry of Education (MoE) designed and launched a national Second Chance Education (SCE) programme for children who have not completed the six-year primary school curriculum to complete the course over three years. The programme will be implemented nationwide in 2009.
13. For instance, Angola's Decree Law 02/07 contemplates the participation of civil society organizations as members in budgetary units.
14. However, some sources raise the need to better coordinate these technical and vocational training programmes with other initiatives, and provide further support and follow-up to help trainees get through the first and most difficult months (AfDB/OECD, 2008:133).
15. Two key programmes are the *Transport and Logistics Assistance to Angolan Nationals Returning from Namibia* (TLA-ANN) and the *Transportation and Logistics Assistance to UNHCR and the Government of Angola on the Internal Movement of Refugees within Angola* (TLAIMR). For more information, visit the IOM website at www.iom.int.
16. ECHO/EU, BPRM/USA, SIDA/Sweden, Norway, Finland, Denmark, DFID/UK, South Africa, OFDA/USA, Chevron, SDC/Switzerland, UNICEF, Germany, Institute for the Social and Vocational Integration of Former Soldiers (Angola)/WB.
17. See IOM and MINARS, 2005, *VolRep Facts and Figures for 2003–2005*, IOM Angola.
18. IOM projects on “Movement, Emergency and Post-crisis Migration Management” in Angola include: Improved Food Security in Huambo – Through Community Revitalization Programme (CRP); Phases I and II (in Huambo and Moxico); Hanga Rehabilitation of Social Infrastructures, Huambo Province; Mungo Rehabilitation of Social Infrastructures, Huambo Province; Governance of Water

and Sanitation in Angola's Poor Neighbourhoods; Enhance Income Generation through Micro-enterprise Development in Moxico, Kuando-Kubango and Huambo Provinces; Migration Emergency Response in Menongue and Kuando-Kubango; Reintegration Support to Ex-Combatants and their Dependents; Rehabilitation and/or Reconstruction of Schools Project in partnership with UNICEF; Conflict Management, Mitigation and Reconciliation Initiative for Angola (CMM-RIA) (IOM Angola, 2009; online at www.iom.int).

19. Difficulties include: (1) inaccessibility of production areas owing to the destruction of basic infrastructure; (2) reduction of arable land due to the displacement of farmers and anti-personnel mine fields; (3) limited access to credit; (4) difficulties in securing property; (5) limited modernization; and (6) illegal fishing (AfDB, 2008a).
20. See: Lei no. 2/07 de 31 de Agosto, Diário da República, Sexta-feira, 31 de Agosto de 2007, I Série – No 105.
21. According to DW, experience has shown that once rural-urban migrants have spent more than two agricultural seasons off of their lands, the probability of their return falls below half. As time passes by, the probability of return decreases exponentially.
22. It is useful here to operate a distinction between the three terms used in this study. A *recognized refugee* is “a person who owing to well-founded fear of persecution for reasons of race, religion, nationality, membership of a particular social group or political opinions, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country [Convention relating to the Status of Refugees, Art. 1A(2), 1951 as modified by the 1967 Protocol]”. *Internally displaced persons (IDPs)* are “Persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognized State border [Guiding Principles on Internal Displacement, UN Doc E/CN.4/1998/53/Add.2.]”. *Asylum-seekers* are “Persons seeking to be admitted into a country as refugees and awaiting decision on their application for refugee status under relevant international and national instruments. In case of a negative decision, they must leave the country and may be expelled, as may any alien in an irregular situation, unless permission to stay is provided on humanitarian or other related grounds.” Definitions taken from IOM, 2004, Glossary on Migration.
23. During 2007–2008, UNHCR worked to complete the registration of all refugees and asylum-seekers and established an asylum database using the *proGres* software (UNHCR, 2008: 277).
24. UNHCR reports: “UNHCR repatriated more than 74,000 Angolan refugees to Angola from Zambian refugee camps between 2003 and 2007. Organized

large-scale returns ended then, but voluntary repatriation resumes this May with UNHCR offering transportation and a cash grant to help reintegrate in Angola. Zambia hosts more than 27,000 Angolans, which included those in the settlements of Meheba and Mayukwayukwa, some in urban areas and those that are self-settled” (Kimo, S. for UNHCR, “Survey shows few Angolan Refugees wish to repatriate to Angola”, UNHCR, <http://www.unhcr.org/49ca4be42.html>, accessed 18 June 2009).

25. According to UNHCR, the number of refugees “originating from Angola” refers to “in the absence of Government estimates, UNHCR has estimated the refugee population in most industrialized countries based on ten years of asylum-seekers recognition.” The term “refugees” refers to “persons recognized as refugees under the 1951 UN Convention/1967 Protocol, the 1969 OAU Convention, in accordance with the UNHCR Statute, persons granted a complementary form of protection and those granted temporary protection. It also includes persons in a refugee-like situation whose status has not yet been verified.” The term “asylum-seekers” refers to “persons whose application for asylum or refugee status is pending at any stage in the procedure” and “returned refugees” refers to “refugees who have returned to their place of origin during the calendar year.” Source: UNHCR Angola, 2009, “Country of origin and asylum”, <http://www.unhcr.org/cgi-bin/texis/vtx/page?page=4a03e30d6>, accessed 18 June 2009).
26. It is worth noting that during the 1990s, South African mines experienced some labour force retrenchments. The mines retained more foreign workers than local workers; this led to an increase in the proportion of foreign workers from 40 per cent in the late 1980s to close to 60 per cent today (Black et al., 2006: 85), which benefited mostly Mozambican workers. However, it is difficult to assess whether and how Angolan workers could have benefited from this situation.
27. It is worth mentioning here the data deficiencies in Portugal, which refer mainly to inconsistencies among different sources of information. Generally speaking, disparities between the two major statistical sources on immigration in Portugal result from the population taken into consideration. The Immigration and Borders Service (*Serviço de Estrangeiros e Fronteiras*, (SEF)) register only legal residents in the country, whereas the census of the Portuguese *Instituto Nacional de Estatística* (INE) or Statistics Portugal accounts for all regular and irregular foreigners residing in Portugal. The Census only accounts for foreigners residing in Portugal for more than one year.
28. UN-DESA 2005 estimates indicate the total number of refugees in Portugal is 400 (UN-DESA, 2009). However the share of Angolan refugees is not specified.
29. The Lisbon Metropolitan Area (LMA) is a territorial zone consisting of 18 municipalities (*concelhos*), located around Lisbon, the Portuguese capital city. The municipalities north of the Tagus River belong to Lisbon District (Grande Lisboa), while those south of the river belong to Setubal District (Península

de Setubal). The 18 municipalities of LMA are: Alcochete, Almada, Amadora, Barreiro, Cascais, Lisboa, Loures, Mafra, Moita, Montijo, Odivelas, Oeiras, Palmela, Seixal, Sesimbra, Setubal, Sintra, and Vila Franca de Xira.

30. However, it is difficult to determine whether and how, if it is the case, respondents overstayed their visas, or how they eventually became permanent residents.
31. Temporary residence permits are valid for a period of one year, as of the date of issuing, and are renewable; permanent residence has no time limit but the permit must be renewed every five years. To apply for a temporary residence permit, applicants must satisfy the following conditions: a) hold a valid residency visa; b) inexistence of any fact that is known by the competent authorities that should be an obstacle to granting that visa; c) be present in Portuguese territory; d) possess subsistence means; e) have guaranteed lodgings; f) be registered in the Social Security, whenever applicable; g) not having been convicted for any crime punishable with prison sentence superior to one year; h) not being in a period of ban of entry in national territory, following a removal measure; i) absence of any alert in the Schengen Information System for purposes of refusing the entry; j) absence of any alert in SEF's Integrated Information System. Permanent residence permits are granted on the basis of the following conditions: a) holding a temporary residence permit for at least five years; b) have not been convicted for crimes in penalty or penalties that, individually or cumulatively, exceed one year in prison sentence; c) possess subsistence means, d) have guaranteed lodgings; e) prove to have sufficient command of basic Portuguese language. Source: Lei de Estrangeiros, Act 23/2007, 4 July 2007, <http://www.sef.pt/documentos/56/Nova%20Lei%20de%20EstrangeirosEN.pdf>, accessed 7 June 2009. Therefore, these conditions require applicants to demonstrate a very stable residence situation in Portugal.
32. SADC countries include: Angola, Botswana, the Democratic Republic of the Congo (DRC), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.
33. The link between HIV/AIDS and migration is increasingly being explored. Mobile populations appear to be particularly vulnerable to HIV infection, and in turn, the epidemic seems to have significant effects on people's mobility. The prevalence and rapid spread of HIV in Southern Africa is believed to be linked to migration owing to the fact that multi-local social networks can give opportunities for mobile sexual networking; encourage high-risk sexual behaviour, and mobile population outreach is limited for interventions (including prevention, testing, treatment and care) (Black et al., 2006: 94–95). At the same time, the death of a relative might encourage migration of other family members to compensate for the loss of resources. HIV-positive people might choose to migrate in order to escape stigmatization, or people might return to origin communities to obtain care; orphans might also migrate to live with other relatives or seek income-generating opportunities.

34. In a recent document, UN-INSTRAW and SAIIA report that patterns of intraregional migration in SADC were influenced by apartheid and war, leading to important refugee movements within the region. While in the past, refugees arrived from Angola and Mozambique, today they are likely to come from the Democratic Republic of the Congo, Rwanda and Burundi. Asylum-seekers from other parts of Africa and the rest of the world can also be found in SADC (UN-INSTRAW and SAIIA, 2007: 12).
35. Accurate statistics are not currently available; however, some sources suggest that the share of the country nationals with a university degree living in another OECD country is close to 20 per cent, which is seemingly high compared to other Asian or North American countries, where this figure is less than 5 per cent (OECD, 2008). Push factors encouraging skilled emigration from South Africa usually include low living standards and working conditions (Black et al., 2006). At the same time, skilled emigration has an impact on the work load and the quality of services and incentives for those who remain, all of which may encourage further emigration. Overall, geographical and linguistic proximity, education return differentials between countries of origin and destination, and selective immigration policies in receiving countries are often considered as skilled emigration pull factors. In order to alleviate the negative effects of this form of migration, some institutions have suggested fostering partnerships between sending and receiving countries to encourage ethical recruitment practices, as well as the repatriation of skills and knowledge, known as brain circulation schemes (OECD, 2008).
36. UNHCR further argues that “the dynamic Angolan economy attracts migrants as well as refugees and asylum-seekers from across the continent. Fears and concerns related to mixed migration could undermine government and public support for refugee protection.” A new immigration law approved by Parliament entered into force in November 2007. UNHCR’s main suggestions were incorporated into the final draft of the law. In 2007, Angola started to review its 1990 Refugee Law. UNHCR commented on the review to ensure that the new legislation will be in accordance with international standards and reflects best practices (UNHCR, 2008: 276–277).
37. The SADC has committed to the harmonization of socio-economic policies and plans, including the progressive elimination of obstacles to the free movement of capital, labour, goods, services and people within member states. The Protocol on the Facilitation of Movement of Persons is aimed at developing policies for the progressive elimination of obstacles to the movement of persons of the Region generally into and within the territories of State Parties. The former includes: (a) entry, for a lawful purpose and without a visa, into the territory of another State Party for a maximum period of 90 days per year for bona fide visit and in accordance with the laws of the State Party concerned; (b) permanent and

- temporary residence in the territory of another State Party; and (c) establishment of oneself and working in the territory of another State Party. In: Southern African Development Community (SADC), Protocol on the Facilitation of Movement of Persons, at: <http://www.sadc.int/index/browse/page/149>
38. The Common Market for Eastern and Southern Africa (COMESA) began as the Preferential Trade Area of Eastern and Southern Africa (PTA) in 1982; its name changed to COMESA in 1994, and in October 2000 the COMESA Free Trade Area (FTA) was created (it is comprised of 13 members: Burundi, Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Zambia, Zimbabwe, Comoros, and Libya). Today, COMESA has a total membership of 20 countries: Angola, Burundi, Comoros, Djibouti, Congo DR, Egypt, Eritrea, Ethiopia, Kenya, Libya, Rwanda, Seychelles, Sudan, Swaziland, Madagascar, Malawi, Mauritius, Zambia, Zimbabwe, and Uganda. COMESA Member States adopted a Protocol on the Free Movement of Persons, Labour, Services, Right of Establishment and Right of Residence at the sixth summit of the COMESA Authority held in Cairo, Egypt in 2001. However, progress on this aspect has been limited to individual and bilateral initiatives. The 2007–2010 COMESA Strategic Plan has committed to undertake some actions to realize the goal on free movement of persons: facilitate bilateral consultations with member states to sign and ratify the protocol; enhance programmes on movement of people; design detailed programme on movement of labour; and develop a programme to build capacity among immigration officials on the implementation of the Protocol on free movement of persons and the detection of transnational crimes and counter-terrorism. Visit COMESA at <http://www.comesa.int/>
 39. A recent study conducted by the Counter Xenophobia Unit in Gauteng, North West, Mpumalanga, Western Cape and Eastern Cape in South Africa identified the lack of service delivery, unemployment, poverty, competition for business and crime as the major sources of violence and xenophobia (South Africa, Home Affairs Department Annual Report 2007-2008, online). See also: Crush, J. (ed.), 2008, *The Perfect Storm: The Realities of Xenophobia in Contemporary South Africa*, SAMP.
 40. UN-INSTRAW and SAIIA argue that “the democratization of South Africa and the removal of the apartheid regime in 1994 opened up the country to legal migration for black people (although it had ostensibly been opened in 1986). At the same time, asylum-seekers could take refuge in South Africa for the first time.” [...] Settlements of the civil wars of Mozambique (in the early 1990s) and Angola (in the early 2000s) stopped refugee flows from these countries and many have returned home under refugee repatriation schemes. Refugees continue to flee the Democratic Republic of the Congo as fighting persists in the east of the country” (UN-INSTRAW and SAIIA, 2007: 13).

41. For more information consult the Republic of South Africa, Government Gazette, Vol. 402, No. 19544, 2 December 1998, Act No. 130, 1998.
42. There are many forms of irregular migration: In some cases, migrants may lack proper documentation or fail to fulfil immigration requirements of the destination area. In other cases, migrants hold appropriate documentation at entry, but they may overstay their visit periods. Migrants may also use undesignated exit or entry points, or they may use forged documents to gain access to the destination country. For the UN-DESA Population Division, “migrants with an irregular status are those who enter a country without proper authorization or who have violated the terms of stay of the authorization they hold, including by overstaying” (UN-DESA, 2009: 12).
43. There are indications that some interviewees in South Africa were still young when they emigrated; focus group discussions revealed that some participants were still studying by the time they left Angola (Focus group discussions, Cape Town, 3–6 February 2009).
44. In 2001, the Portuguese Labour Inspection (IGT) reported that 37.7 per cent of contracts made with Angolan immigrants holding a permanent permit were in the services sector; 33.7 per cent in the construction sector, and 14.1 per cent in restaurants and hotels. Likewise, some authors report that traditional areas of employment for SADC female migrants have been domestic work, the service sector and trade, whereas men are likely to have formal employment in the industrial, agricultural and construction sectors (Black et al., 2006: 89).
45. Generally speaking, deskilling is related to difficulties in validating skills or qualifications, acquiring legal status or proficiency in the language of the destination country; more empirical evidence is necessary to explain the reasons underlying this situation (which is beyond the scope of this study).
46. For instance, focus group participants in Portugal expressed their concern about the difficult situations they experience: living in poverty, no access to opportunities and facing a very high unemployment rate, among others. In many cases, people living in Portugal are receiving more remittances than what they send (Focus group discussion, Lisbon, 7 March 2009).
47. In Portugal, questions about income in euros were asked, for the purposes of the study. The exchange rate used was EUR 1 = US\$ 1.29 valid at the time of the interview.
48. In South Africa, relevant categories of employment include the civil engineering sector, domestic services, hospitality workers, employees in the taxi sector, employees in the wholesale and retail sector, among others. A little over a quarter (25.5%) of employed interviewees are employees in the civil engineering sector. According to the South African Labour Department Basic Guide to Minimum Wages in the Civil Engineering sector, in the provinces of Western and Eastern Cape, workers are entitled to a minimum wage rate of R 6.60 + 2 per cent per

hour. Minimum wages for employees in the wholesale and retail sector (about 14% of the sample) can be found at: <http://www.labour.gov.za/legislation/sectoral-determinations/sectoral-determination-9-wholesale-and-retail-sector> (South African Labour Department, accessed 17 June 2009). Another occupation currently performed by interviewees in South Africa is driver, more specifically taxi driver. The latest amendment to the minimum wage for employees in the taxi sector entered into force on 1 July 2008 and can be found at: <http://www.labour.gov.za/legislation/sectoral-determinations/sectoral-determination-11-taxi-sector>. Some interviewees are security guards. Minimum wages for employees in the private security sector can be found at: <http://www.labour.gov.za/legislation/sectoral-determinations/sectoral-determination-6-private-security-sector>. In addition, some interviewees work in the hospitality and related activities. Minimum wages in the hospitality sector can be found at: <http://www.labour.gov.za/legislation/sectoral-determinations/sectoral-determination-14-hospitality/>. Likewise, minimum wages for domestic workers are established under Sectoral Determination 7, for Area A including Cape Town, and for 27 ordinary hours of work per week or less, the hourly rate is R 8.12, the weekly rate is R 219.24 and the monthly rate, R 949.97; rates can be found at: <http://www.labour.gov.za/legislation/sectoral-determinations/sectoral-determination-7-domestic-workers/>. Information about minimum wages in other specific sectors can be found at: South African Labour Department, <http://www.labour.gov.za/legislation/sectoral-determinations>.

49. According to Development Workshop's classification, lower skilled workers are comprised of: domestic helpers, janitors, store helpers, guards, and gardeners. Skilled workers are comprised of: electricians, I.T. and computer technicians, carpenters, machine operators, locksmith, drivers, construction workers, hairdressers, and hospital attendants. Office workers include those engaged in administration, social services, banks, public administration, managers, NGOs, receptionist/secretary, logistics, and insurance companies' employees. Professionals include those people who hold a university or graduate degree and are currently hired in higher positions (DW, 2008).
50. The national minimum wage in Angola is about Kz 8,609 (US\$ 110) but the market minimum rate is around US\$ 150 (DW, personal communication, June 2009).
51. Out of 44 households in this category, 16 have migrant relatives in Portugal and three have relatives in South Africa.
52. This section refers to the links Angolan migrants interviewed in Portugal and South Africa keep with their country of birth. Although the term "diaspora" is widely used by policymakers, in this document we prefer not to define Angolan migrants as diaspora, although we may refer to some targeted "diaspora initiatives". This is for two reasons: First, there is currently no single accepted definition of the term (Ionescu, 2006:13). Second, this term implies problematic considerations

- regarding time, space, nationality, citizenship, ethnicity, transnationalism, identity, legal recognition of the term, and so on, which fall outside the scope of this study.
53. When specified, migrants declared they were willing to invest in the following activities: Advocacy office, agricultural production, discotheque, civil construction, coffee shop, electricity shop, farm, fishing, kindergarten, poultry, real estate, trade, and telecommunications.
 54. Migrants in South Africa showed interest in investing in music and culture, starting up a business (construction, motor spray painting workshop, Internet café), investing in agriculture / livestock, investing in skills training in Angola, and in business and education.
 55. Focus group discussions in Portugal revealed that the relationship between diaspora and the Angolan government lacks confidence and trust in both ways. Currently, official initiatives and programmes face a common challenge: to be recognized as legitimate by diasporas. There is reluctance of some diaspora individuals and organizations to get involved in common activities with the Angolan government. In the same way, Angolans do not feel welcome when they come back. Many institutional hindrances were described when Angolans try to maintain transnational lives. The focus group discussion concluded that building trust should become a key policy objective for the Angolan government, both in a symbolic way (appeal to the affective capital within the diaspora), but also in an effective way, creating policies that ensure the recognition of diasporas as full citizens, promoting real inclusion, such as through access to rights and status (Focus group discussion, Lisbon, 7 March 2009).
 56. Indeed, during focus group discussions, questions regarding organizations/ associations of Angolans in South Africa were avoided and caused suspicion among the participants; the topic seemed to be perceived too political (Cape Town, 3–6 February 2009).
 57. For instance, the focus group discussion in Portugal revealed that “the interest of Angolan diaspora in contributing to the development of their home country is not consensual. Within diaspora there are groups and persons with very different backgrounds, behaviours and interests related to Angola. One major issue that would be necessary to assess is who and how many are the members of diaspora who are willing to contribute to the development of Angola. Additionally it will also be crucial to identify which are the diaspora organizations that could be suitable and representative interlocutors among the community” (Focus group discussion, Lisbon, 7 March 2009).
 58. Kaun argues, for instance, that it is important to recognize the “individual perceptions of home”, which influence reconstruction and reintegration frameworks. The relevant question, in her own words, is: “How do returnees and IDPs conceptualize repatriation and reintegration, and how does one’s association with “home” influence decision-making, if at all?” She argues that some scholars

- support a territorialized view of “home” as rooted to a particular place, while others support a much more fluid interpretation (Kaun, 2008: 8).
59. During focus group discussion in Lisbon, all the participants felt that there is no support, either from the Angolan government or the Portuguese authorities, to return to their country of origin (Focus group discussion, Lisbon, 7 March 2009). Likewise, focus group discussions in South Africa revealed that participants were thinking about going back to Angola. However, they were scared of the situation in the country (i.e. political situation), but also with regard to the problems they will be facing when they want to establish and set up a business. They stated that the registration of a business takes about one year or more, and the costs of registry sum approximately R 50,000. Participants felt that there was no support from the government and that officials also sometimes withdraw licenses from people (Focus group discussions, Cape Town, 3–6 February 2009).
 60. IOM Migrant Resource Centres (MRCs) are present in many countries worldwide. These centres are aimed at expanding information, support and services for migrants; they are not substitutes of consulates, embassies or diplomatic representations. MRCs develop mainly four types of activities:
 - a) *Prevention of irregular migration*: through research, documentation, data collection, providing reliable information materials on migration, health, workers’ rights and labour law, as well as counselling to potential migrants, and training to upgrade their skills;
 - b) *Facilitation of legal migration* through job-matching schemes (adjusting labour demand-supply) for employers and employees’; providing services such as information and assistance on visa issuance procedures, medical check-up, document examination, transportation, reception at arrival in host countries; training and (pre-departure) language and cultural orientation; information dissemination including remittance alternatives in destination and origin countries, as well as investment opportunities and development initiatives in countries of origin;
 - c) *Protection of migrants*: this includes immediate assistance (medical, psychological, legal) and referral services; hotlines that provide general information on legal migration opportunities, as well as counselling and assistance in emergency situations; shelter and professional services;
 - d) *Return*: this includes (post-emergency) return and reintegration, pre-consular services, migrant training, travel assistance for individuals and governments, and integration. In some cases, returning migrants are also provided with financial and technical assistance to develop sustainable returning plans and income-generating activities.
 61. For an extensive discussion on labour migration policies and institutional frameworks, see: OSCE, IOM–ILO, 2006, *Handbook on Establishing Effective Labour Migration Policies in Countries of Origin and Destination*.

62. IOM has supported a wide range of programmes that aim at promoting skills transfers, facilitating remittances, supporting voluntary return, and stimulating circular and temporary migration. One initiative that focuses on skills transfer, and explicitly links development to mobility is the *Migration for Development in Africa* (MIDA) programme, launched in 2001 (visit IOM- MIDA <http://www.iom.int/mida/>). In West Africa, with the financial support of the EU, IOM is providing assistance for the establishment of mechanisms for the identification, registration and selection of candidate migrant workers to match needs in receiving countries, and through information dissemination on labour migration opportunities, procedures and the risks of irregular migration. In the Western Balkans, IOM is working to establish information, advice and referral services for migrants and potential migrants through a regional network of Migrant Service Centres (MSCs). IOM is also working together with governments and the private sector to put into place transparent, equitable recruitment schemes ensuring that migrant workers are placed in decent working conditions, within the framework of bilateral arrangements. IOM's assistance includes information dissemination, database set-up and registration of potential migrant workers, matching skills with demand, selection and pre-departure orientation, transit and post arrival assistance, complementary orientation in the receiving country, job placement, return and reintegration in the country of origin. A successful example of this kind of initiative is the Temporary Circular Labour Migration (TCLM) model between Spain and Colombia (Source: Labour Migration Infosheet 2008; for detailed information on programmes and projects, contact lfm@iom.int or visit www.iom.int).
63. For instance, UNDP's Cluster for Poverty, Human Development and MDGs in Latin America and the Caribbean recently declared that "there is little evidence that shows how remittances behave in times of economic downturn in the region, given that reliable data for remittances has only been collected for a little over a decade." See: UNDP Cluster for Poverty Human Development and MDGs, Crisis Update No. 4, "The Decline of Remittances", 30 March 2009.
64. Remittance service providers usually comprise financial institutions (including commercial banks and authorized microfinance institutions), non-bank institutions that provide remittance services (including money transfer companies (MTOs) and postal services), and informal intermediaries.
65. Indeed, IFAD warns readers about the fact that officially reported statistics on remittances seriously underestimate the total flows, and that the report here cited as reference "is a first attempt to estimate global remittance flows within a coherent framework based on statistics on migration and observed and extrapolated remitting behaviours. A cautionary note is in order – availability of official data on migration and remitting behaviours is limited. This study is a work in progress building on existing data and research[...] The reader is advised

that the accuracy of the estimates in this report is likely to vary from country to country, and thus the interpretation of the findings for any country in particular should be approached with caution” (IFAD, 2007: 18).

66. As regards the small share of respondents in South Africa who do not remit, they are between 18 and 44 years old; the average age is 29 years old. Most migrants in this group are men (76%), a little over half of this group of migrants are single (55%); and a little over 60 per cent have children who reside in South Africa. The majority (59%) is currently unemployed, and holds a refugee migratory status (55%).
67. For the purposes of analysis, we considered as “irregular” all those transfers that did not follow any particular timing during the year, these include transfers made from three to eleven times during the 12 months preceding the interviews.
68. In all cases remittance amounts were indicated in euros. Using the exchange rate EUR 1 = US\$ 1.29 valid at the time of the interview.
69. To simplify, IOM Pretoria used a fixed exchange rate: US\$ 1 = R 10.
70. During the focus group discussion in Lisbon, migrants explained that changes in the frequency and type of remittances sent were linked to changes in their personal income, but also on the conditions faced by their families in Angola. In most cases, families are living much better now and do not need the same support as in the past. However, when they face situations of urgent need, they send not only higher amounts, but also more frequently (every month). There were also cases wherein the parents have already passed away and familial links are not so strong; in the case of those who have investments/businesses that are already making a profit, part of it is going directly to their families (Focus group discussion, Lisbon, 7 March 2009).
71. The distribution of domestic remittances in the provinces is the following: Bengo (2 cases), Benguela (9 cases), Bie (4 cases), Cabinda (2 cases), Cuando Cubango (6 cases), Cunene (1 case), Huambo (10 cases), Huila (6 cases), Luanda (8 cases), Lunda Norte (2 cases), Malanje (4 cases), Moxico (1 case), Namibe (2 cases), Uíge (3 cases), and Zaire (1 case) (DW, 2008).
72. We fully concur with Pieke et al., (2005: 16) on the problematic classification of remittance methods as “formal and informal”: “We may consider specific remittance systems informal on the basis of a number of criteria that only partially overlap, such as the extent to which they are subject to financial regulation, registration, licensing or and supervision, law enforcement, or requirements to keep records, report transactions, or conform to certain accounting conventions. Furthermore, [...] changes in legislation, registration practices, or requirements of record keeping may “formalize” informal systems, [...]. Conversely, such changes may also render certain systems illegal and therefore push them further in the realm of the informal.” Although the authors further propose distinguishing between recorded and unrecorded, and legal and illegal systems, to simplify in

this document, unrecorded remittance systems/methods will refer to those not regulated by competent authorities in the countries of interest, while the rest of the services, recognized and regulated by the competent authorities will be “recorded”.

73. As regards recorded systems, an overwhelming majority (91%) of migrants interviewed in Portugal who use MTOs services prefer Western Union. Concerning unrecorded systems, many migrants claimed to remit through the Angolan national airline (TAAG). TAAG does not offer any kind of recorded remittance service; TAAG personnel, in some cases, become informal remittance intermediaries. Sometimes, not only airline staff serves as informal intermediaries, but senders may remit by asking people who are boarding to take money for their relatives in Angola (even if the intermediary is an unknown person to the sender). During focus group discussions, participants admitted that TAAG was a very useful and helpful channel; participants could send goods for free via the crew when they are known. In emergency cases, they also ask unknown travellers to take money/goods with them; they use photos to identify the receiver who is always waiting for the intermediary at the airport (Focus group discussion, Lisbon, 7 March 2009).
74. This could be partly explained by the fact that recognized refugees in South Africa may not have the opportunity to travel to Angola very frequently and bring remittances with them.
75. This could be partly explained by the fact that, there are direct flights from Portugal to Luanda, which influences the speed of hand-carried remittances, as sometimes airline staff and passengers serve as unrecorded intermediaries and bring remittances to Angola with them.
76. In many cases there are no fees charged to remittance senders and receivers. In Portugal or Namibia, for instance, people who accept carrying money to Angola rarely charge any fees to Angolan senders. Focus group discussions in Portugal revealed that goods and money were sent through relatives, friends and neighbours, as agencies were too expensive and the referred intermediaries took no charge for it. However, sometimes the money did not arrive to the final destination (Focus group discussion, Lisbon, 7 March 2009).
77. Costs to providers usually depend upon the method and technologies used, staff, location costs, administration, security, foreign exchange risk and supply of currency, anti-money laundering and marketing expenses.
78. Lei das Instituições Financeiras http://www.bna.ao/docs/leis/Lei_Instituicoes_Financeiras.pdf, accessed 2 June 2009.
79. Law No. 5/97 allows non-residents as defined for foreign exchange purposes, to open and operate checking accounts in national or foreign currency at financial institutes domiciled in the national territory (Art. 9).

80. For money transfer agents, authorization requirements to set-up foreign currency payments as outlined in the *Aviso* No.01/2002 of the BNA include: a) a minimum capital requirement (*capital* social) of US\$ 250,000; b) business objectives for the provision of foreign currency payment services; c) sufficient and appropriate technological infrastructure and, if it involves foreign capital or foreign investors, the applicant must comply with the provisions of the *Lei Investimento Estrangeiro* (Law No. 15/94).
81. For instance, the World Council of Credit Unions (WOCCU) launched the *International Remittance Network* (IRnet) a remittance transfer service, in July 2000, in partnership with Vigo Remittance Company. Today it offers technical assistance and training to credit unions, and facilitates a fund transfer service through Citibank branches in the US to credit union cooperatives abroad in partnership with VIGO Remittance Corp., Travelex, and MoneyGram. To the eyes of some scholars, IRnet “is the largest example of a credit union network that facilitates remittances. By September 2003, IRnet was being used by 190 credit unions in the USA, sending money to 42 countries. Most recipients of remittances via IRnet are in Spanish-speaking Central and South America, but some ACP countries are also covered – Dominican Republic and Jamaica – and WOCCU is working on other schemes in Kenya and other parts of Africa” (Pieke et al., 2005:23). Another example is *Fonkoze*, a microfinance institution in Haiti that offers remittance services (visit www.fonkoze.org). The *Grameen Bank*, in Bangladesh, the pioneer microfinance institution, has shown interest in cooperating with foreign commercial banks to offer remittance services in rural areas. Likewise, *Banco Solidario* in Ecuador, has partnered with Caja Madrid in Spain, which bundles money transfers to the recipient microfinance counterpart in Ecuador, which in turn unbundles the payments for distribution through a large and accessible branch network (see Buencamino and Gorbunov, 2002: 11; Isern and Deshpande, 2005: 11). In Tajikistan, IOM and UNDP have also implemented an initiative to offer micro loans to remittance-recipient households to start or expand a business, using remittances as collateral. Micro loans are accompanied by entrepreneurship and financial training.
82. According to Law 11/03, forms of national investment comprise: “a) allocation of own funds; b) application in Angola of current assets existing in bank accounts set up in Angola belonging to residents or non-residents; c) allocation of machinery, equipment, accessories and other materials; d) incorporation of credit and other current assets of private investors which may be employed in the enterprises; e) incorporation of technologies and know-how.” the Law also states: “Foreign investments can be made, individually or cumulatively, in the following forms: a) transfer of funds from abroad; b) application of current assets in bank accounts in foreign currency, set-up in Angola by non-residents; c) importation of machinery, equipment, accessories and other materials; d) incorporation of technologies and

know-how”. The Law further specifies that “The introduction of capital lower in value than the equivalent to US\$ 100,000 (one hundred thousand US dollars) is not subject to authorization by the ANIP, nor does it benefit from entitlement to repatriate dividends, profits, and other advantages...” It also specifies that the incorporation of machinery or equipment and the introduction of technologies and know-how must be accompanied by transfer of funds from abroad to cover incorporation and start up expenses (Law 11/03, articles 8-10, <http://www.iie-angola-us.org/legislation.htm>).

83. Regime Geral das Instituições de Crédito e Sociedades Financeiras; Aprovado pelo Decreto-Lei n.º 298/92, de 31 de Dezembro, com alterações introduzidas pelos Decretos-Leis n.º 246/95, de 14 de Setembro, n.º 232/96, de 5 de Dezembro, n.º 222/99, de 22 de Junho, n.º 250/2000, de 13 de Outubro, n.º 285/2001, de 3 de Novembro, n.º 201/2002, de 26 de Setembro, n.º 319/2002, de 28 de Dezembro, n.º 252/2003, de 17 de Outubro, n.º 145/2006, de 31 de Julho, n.º 104/2007, de 3 de Abril, n.º 357-A/2007, de 31 de Outubro, n.º 1/2008, de 3 de Janeiro, n.º 126/2008, de 21 de Julho, e n.º 211- A/2008, de 3 de Novembro; http://www.bportugal.pt/publish/legisl/rgicsf_p.pdf, accessed 6 June 2009.
84. Visit Euromed4All at <http://www.euromed.sef.pt/>
85. As per focus group discussions, apparently the “new refugee status” allows refugees to have a bank account, whereas people who have not renewed their status yet (according to new laws) and still have the “old refugee status” face problems depending on the bank. According to the participants, only FNB (First National Bank) allows a bank account for asylum-seekers; however, *this might have changed by now* (Focus group discussions, Cape Town, 3–6 February 2009).
86. According to the World Bank, the average transaction cost from South Africa to Angola when remitting US\$ 200, for instance, ranges from 12.75 per cent to as high as 25 per cent, with an average transfer speed of 3.5 days. In *Remittance Prices World Wide*, the World Bank, <http://remittanceprices.worldbank.org/RemittanceCosts/?from=172&to=7>
87. ABSA Bank, First National Bank, Standard Bank and Nedbank.
88. Special Recommendation VI on Terrorist Financing of the Financial Action Task Force (FATF) states: “Each country should take measures to ensure that persons or legal entities, including agents that provide a service for the transmission of money or value, including transmission through an informal money or value transfer system or network, should be licensed or registered and subject to all the FATF recommendations that apply to banks and non-bank financial institutions. Each country should ensure that persons or legal entities that carry out this service illegally are subject to administrative, civil or criminal sanctions.” FATF (<http://www.fatf-gafi.org/>) is currently composed of 32 countries and territories (including Portugal and South Africa), and two regional organizations.

89. Some authors argue that the remittance community is now entering a norm-setting stage. Along this line, international and domestic norms and standards being put forward by civil society, governments, multilateral organizations, and private sector groups. The World Bank, for example, is seeking to introduce codes of conduct on money transfers. In 2006, the Inter-American Dialogue introduced a score card on remittance transfers that served as a guide to the issues to debate beyond transaction cost. Today, organizations such as Appleseed have focused on what it calls fair exchange on money transfers, and the International Monetary Fund (IMF) has refined and adopted new guidelines on the measure of remittance transfers that update and look into current migration realities (Migrant Remittances, April 2009:8).
90. For more details on the *Matrícula Consular*, visit: <http://portal.sre.gob.mx/consulados/popups/articleswindow.php?id=56> (accessed 7 June 2009), and Embajada Consulado de México, Consulate Offices in the USA: <http://www.mexico.us/consulate.htm> (accessed 7 June 2009).
91. The survey consisted of 879 online survey forms on remittances and investment, where all African nationalities as well as professional and non-professional members of the diaspora were represented. According to the survey, 58 per cent of the respondents remit, out of which 52 per cent remit also to invest, mainly in family and friends' businesses, real estate, and capital markets (Africa Recruit, 2005).
92. The refugee status does not allow participants to go to Angola and consequently return to South Africa. This was perceived as a major hindrance. Even if most of them had been in South Africa for more than ten years and even if after five years with refugee status one can apply for a residence permit, no one had been able to obtain this status. A residence permit would facilitate business activities in Angola, as this would enable them to travel to Angola and return back to South Africa (Focus group discussions, Cape Town, 3 to 6 February, 2009).
93. A recent participatory study (undertaken in February 2009) on the impacts and responses to the food, fuel and financial crises revealed that in ten poor rural and urban communities in Bangladesh, Indonesia, Kenya, Jamaica and Zambia, the impacts of the crises are beginning to be felt. As regards food security, all ten communities reported people are eating less frequently, and less diverse and nutrient-rich foods. (In: DFID and IDS, March 2009).
94. FAO, following news from the World Food Programme, recently reported: "Farmers have already felt the first effects of changing climatic conditions. In 2006, the production of maize, the main staple in the region, fell short by 2.18 million metric tonnes due to droughts in Namibia, Mozambique, Swaziland, Zimbabwe and South Africa. Flooding in the Zambezi basin has been affecting Angola, Botswana, Namibia, Zambia and Zimbabwe, said Musvoto. Both Seychelles and Zambia have been experiencing a mixture of increased droughts and increased

flooding” (FAO, Climate Change to Shrink Agricultural Production, FAO News 22/04/09, <http://www.fao.org/countryprofiles/index.asp?lang=en&ISO3=AGO>, accessed 8 June 2009).

95. Women constitute the largest share of the agricultural labour force in Angola and they often assume the work burden left by male migrants. It is estimated that women own less than 2 per cent of all land and receive only 5 per cent of extension services worldwide. Women in Africa are even more disadvantaged as they receive less than 10 per cent of all credit going to small farmers, and only 1 per cent of total credit going to the agriculture sector (IFAD/FAO, 2008: 24).
96. According to the Institute of Development Studies, the total number of poor people and the severity of poverty rise dramatically during a crisis. In the words of Lustig and Walton (2008), a crisis may transmit to poverty through: a) changes in labour demand; b) changes in prices; c) changes in public spending; d) changes in the value of economic, human, social, environmental and financial assets; and e) long-term impacts on capabilities (i.e. malnutrition, schooling dropouts, etc.). Furthermore, the distributional impacts of crises are highly uneven and income inequality often worsens during a crisis (Ravallion, 2008); gendered impacts become particularly evident in labour markets and school drop-outs (World Bank, 1999); rural and urban variations are also evident. (DFID and IDS, March 2009).
97. Some examples of social protection programmes targeting vulnerable populations cited by DFID and IDS (2009) include Oportunidades in Mexico, <http://www.oportunidades.gob.mx/>; the Ethiopian Productive Safety Net Programme, <http://www.odi.org.uk/projects/details.asp?id=1144&title=productive-safety-net-programme-psnp-ethiopia>; and the BRAC Challenging the Frontiers of Poverty Reduction programme in Bangladesh; an overview of this programme is available in Power Point at IFAD: www.ifad.org/innovation/presentations/rabeya.ppt

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ANNEXES

Annex 1: Select indicators - Angola

Basic indicators

	Source	Year(s)			
GDP at market prices (Millions US\$)	AfDB	2007	60,852		
GDP composition by sector (Share of GDP %)	AfDB	2007	Agriculture 6.6	Average share of GDP (%) 2000–06	Agriculture 7.4
			Manufacturing 3.4		Manufacturing 3.6
			Services 39.2		Services 31
	The Economist	2009 est.	Agriculture	12	
			Industry	5	
			Services	7.5	
GDP annual growth rate (%)	AfDB	2007	19.8		
	CIA	2008 est.	15.1		
GNI per capita (Current US\$, Atlas method)	AfDB	2006	1,980		
HDI (Value scale 0–1)	AfDB	2005	0.446		
Population (millions)	OECD AfDB	2008 2007–08	17,024	Population aged 15–64 years (%)	52.1
				Female as % of total population	50.7
				Urban population as % of total population	55.8
				Rural population as % of total population	44.2
				Economically Active Population (2005)	46
	CIA	2008 est.	12,531	0–14 years	43.6%
				15–64 years	53.6%
				65 years and over	2.7%

Labour force by occupation	CIA	2003 est.	Agriculture	85%	
			Industry and services	15%	
Life expectancy at birth (years)	AfDB	2007	43 years		
	CIA	2008 est.	37.9 years	Male	36.99 years
				Female	38.9 years
Gini coefficient	IDA / ISN	2007	0.62		
Total external debt (Billions of US\$)	AfDB	2007	9.5 billion	AfDB 2005 Debt owed to	4% multilateral donors
					32% Paris Club countries
					21% other bilateral donors
					37% commercial banks
					6% suppliers
	CIA	31 December 2008 est.	7.907 billion		
External debt (as % of GDP)	AfDB	2007	15.6		
Debt service (% of exports)	AfDB	2007	8.3		
Debt service (as % of GDP)	AfDB	2007	4.8		
		Avg. 1997–2006	22		
Net financial flows (US\$ millions)	AfDB	2006	153.1 million		
Net Official Development Assistance (US\$ millions)	AfDB	2006	170.7 million		
Foreign Direct Investment (US\$ millions)	AfDB	2006	- 1,140.0		
Net ODA per capita (US\$)	AfDB	2006	10		

Millennium Development Goals

		Source	Year(s)		
1. Eradicate poverty and hunger	Proportion of people below poverty line (%)	IDA / ISN	2004–05	68	
	Proportion of people living on less than US\$ 2 a day (%)	IDA / ISN	2007 est.	70	
	Share of poorest quintile in national consumption or income (%)	IDA / ISN	2007	4.4	
	Underweight children (% of children under 5 years)	AfDB	2003	40	
	Agricultural land (1,000 ha)	AfDB	2003	3,590	
	Irrigated land (% of agric. land)	AfDB	2003	2.2	
	Food production per capita (Indices: 1999–2001 = 100)	AfDB	2006	128.6	
			Avg. growth 2001–06	4.4	
2. Achieve universal primary education	Education expenditures as % of GDP	CIA	2005	2.4	
	Gross school enrolment ratio (primary and higher education) (%)	National Institute of Statistics (INE) / AfDB	2005	20	
	Primary education completion rate (%)	AfDB	2005	Male 69.5	Female 59.8
	Adult literacy rate (% of ages 15 and older that can read and write)	CIA	2001 est.	Total population 67.4	
				Female 54.2	Male 82.9
3. Promote gender equality and empower women	Gender ratio in primary education	-	-	-	
4. Reduce child mortality	Under-five mortality rate (per 1,000)	AfDB	2007	231	
	Infant mortality rate (per 1,000 live births) male+female	AfDB	2007	132	

	Infant mortality rate (per 1,000 live births)	CIA	2008 est.	182.31 deaths / 1,000 live births	
	Infant mortality rate (per 1,000) Male	AfDB	2007	140	
	Infant mortality rate (per 1,000) Female	AfDB	2007	124	
5. Improve maternal health	Maternal mortality rate (per 100,000 live births)	AfDB	2000–04	1,850	
			2005–07	1,400	
6. Combat HIV / AIDS, malaria and other diseases	Total health expenditure (as % of GDP)	AfDB	2005–05	2.8	
	HIV / AIDS adult prevalence rate (%)	UNDP	2007	2.5	
		CIA	2003 est.	3.9	
	Incidence of tuberculosis (%)	UNDP	2007	1.7	
	Malaria	AfDB	2005	Malaria remains the first cause of morbidity, accounting for about 40% of cases of death among children under 5 years old.	
	Immunization (%)	Tuberculosis	AfDB	2006	65
		Diphtheria (DPT3)			44
		Measles			48
7. Ensure environmental sustainability	Population with access to safe water (%)	AfDB	2004–06	53	
	Population with access to sanitation (%)	AfDB	2004–06	31	
8. Partnership for development	Main telephone lines (per 1,000 inhabitants)	AfDB	2001	5.4	
			2006	5.9	
			Avg. growth 2001–06	4.2%	
	Mobile cellular subscribers (per 1,000 inhabitants)	AfDB	2001	5.2	
			2006	136.8	
			Avg. growth 2001–06	110%	
	Internet users (per 1,000 inhabitants)	AfDB	2001	1.4	
			2006	5.7	
			Avg. growth 2001–06	36.9%	
	Personal computers (per 1,000 inhabitants)	AfDB	2001	1.2	
			2006	6.7	
			Avg. growth 2001–06	51.6%	

Migration

	Source	Year(s)	
Stock of immigrants	-	-	Total
			Share of population (%)
Net migration rate (Migrants(s) per 1000)	AfDB	2007	1.01
	CIA	2008 est.	1.72
	IOM	2009	1.9
Destination countries	-	-	-
Workers' remittances received	-	-	-
Internally displaced persons (IDPs)	CIA	2007	61,700; 4 million IDPs already have returned
Refugees	CIA	2007	12,615 in the Democratic Republic of the Congo

Sources: AfDB, 2005, 2008a, 2008b; CIA, 2009; IDA, 2007; IOM, www.iom.int; The Economist Intelligence Unit, 2004, 2008; UNDP Angola, 2008; WB and IFC, 2008; WB, 2008.

Annex 2: Migrants' former employment in Angola

PORTUGAL					
Former employment / occupation (in Angola)					
	Frequency	Percentage		Frequency	Percentage
Armed forces	7	3.5	Health area	1	0.5
Athlete / sports	6	3.0	Housekeeper	1	0.5
Bank	1	0.5	Locksmith	1	0.5
Biomedical scientist	1	0.5	Machine operator	1	0.5
Blue-collar worker	1	0.5	Mechanic	1	0.5
Bricklayer	1	0.5	Oil sector	1	0.5
Businessman	2	1.0	Operator	1	0.5
Cab driver	2	1.0	Pastry shop	1	0.5
Carpenter	1	0.5	Plumber	1	0.5
Construction	1	0.5	Public relations	1	0.5
Clerk	6	3.0	Public servant	7	3.5
Computer technician	1	0.5	Radio reporter	1	0.5
Cook assistant	1	0.5	Secretary	5	2.5
DJ	1	0.5	Shopkeeper	5	2.5
Doctor	1	0.5	Tailor	1	0.5
Education assistant	1	0.5	Teacher	11	5.5
Electrician	3	1.5	Technician	1	0.5
Motorboy	1	0.5	Tourist guide	1	0.5
Factory worker	1	0.5	Trader	1	0.5
Farmer	1	0.5	Waiter	1	0.5
N = 200					

SOUTH AFRICA					
Former employment / occupation (in Angola)					
	Frequency	Percentage		Frequency	Percentage
Accountant	1	0.4	Office	1	0.4
Admin. manager	1	0.4	HR	1	0.4
Army soldier	5	2.2	Mechanical work	2	0.9
Art work	2	0.9	Police officer / security	5	2.2
Catering	1	0.4	Politician	1	0.4
Commerce	9	4.0	Receptionist	1	0.4
Construction	16	7.2	Seaman	1	0.4
Dispatch	1	0.4	Teacher	7	3.1
Driver	3	1.3	Technician	5	2.2
Electrician	2	0.9			
N = 223					

Annex 3: Migrants' current employment

PORTUGAL					
Current employment / occupation					
	Frequency	Percentage		Frequency	Percentage
Biologist	1	0.5	Factory / industrial worker	4	2.0
Bricklayer	6	3.0	Fisher	1	0.5
Businessman	3	1.5	Gardener	1	0.5
Call centre	4	2.0	Hairdresser	2	1.0
Carpenter	6	3.0	Hotel	1	0.5
Cashier - supermarket	2	1.0	Locksmith	1	0.5
Construction	34	17.0	Plumber	2	1.0
Clerk / sales clerk	15	7.5	Police / private security / watchman	12	6.0
Computer technician	3	1.5	Project adviser	1	0.5
Confectioner / cook / catering sector	7	3.5	Public relations	2	1.0
Dispatch	2	1.0	Public servant	1	0.5
Doctor	1	0.5	Railroad servant	1	0.5
Domestic worker	11	5.5	Secretary	2	1.0
Driver	4	2.0	Technician	6	3.0
Education assistant	1	0.5	Travel agency	1	0.5
Electrician	6	3.0	Waiter	5	2.5
Events producer	1	0.5	Missing	3	1.5
N = 200; Employed = 153 (76.5%)					

SOUTH AFRICA Current employment / occupation					
	Frequency	Percentage		Frequency	Percentage
Architect	1	0.4	Hospitality	2	0.9
Art work	2	0.9	Interpreter	1	0.4
Assistant manager	1	0.4	Lawyer	1	0.4
Baker	9	4.0	Mechanic	5	2.2
Boiler maker	1	0.4	Office admin.	5	2.2
Call centre	1	0.4	Operator	3	1.3
Carpenter	5	2.2	P.R. consultant	1	0.4
Cashier	1	0.4	Packer	2	0.9
Catering	10	4.5	Painter	4	1.8
Clerk	1	0.4	Panel beater	4	1.8
Commerce	23	10.3	Plumber	2	0.9
Computer technician	5	2.2	Retaining walls	1	0.4
Confectionery	1	0.4	Sales and marketing	1	0.4
Construction	37	16.6	Security	8	3.6
Data capture	4	1.8	Store	8	3.6
Designer - clothes	1	0.4	Tailor	3	1.3
Dispatch manager	1	0.4	Teacher	5	2.2
Domestic worker	1	0.4	Teller	2	0.9
Driver	6	2.7	Tiller	2	0.8
Electrician	4	1.8	Trailing	1	0.4
Engineer	2	0.9	TV repairs	2	0.9
Farm worker	1	0.4	Waiter / waitress	6	2.7
Glass cutter / owns Internet café	1	0.4	Welder	8	3.5
Hairdresser	3	1.3			
Health and safety	1	0.4			
N = 223; Employed 199 = 89.2%					

Annex 4: Organizations' activities in Portugal and South Africa

PORTUGAL Organizations' activities	
Activity	Count
Articulate local power and community	1
Legal advice / victim support	3
Leisure, cultural events, sports, parties, meetings	16
Religious activities	5
Social support	6
Student organization	3
Missing	6
Total	40

SOUTH AFRICA Organizations' activities	
Activity	Count
Defends refugees' rights / refugees and human rights education	9
Empowerment / leadership	1
Help Angolan community (basic needs)	7
Humanitarian organization	1
Political party / political mobilization	3
Religious activities	36
Skills development/training / lobbying and advocacy	8
Student organization	2
Missing	10
Total	77

Annex 5: Stated purposes of remittances from Portugal and South Africa

PORTUGAL AND SOUTH AFRICA Remittances - Purpose					
PORTUGAL	Frequency	Percentage	SOUTH AFRICA	Frequency	Percentage
Missing	14	4.9	Missing	39	11.9
Basic needs	196	69.0	Business	4	1.2
Build / buy house	13	4.7	Daily needs	258	78.1
Business	1	.4	Education	2	.6
Document / legal papers	4	1.5	Emergency	17	5.2
Education	10	3.6	Help a friend	2	.6
Emergency	7	2.5	House construction	5	1.5
Family	5	1.8	Join me	1	.3
Gifts	10	3.6	Health care	1	.3
Health care	21	7.4			
Pay trip	3	1.1			
Total	284	100.0	Total	289	100.0

Annex 6: Transfer method determinants

PORTUGAL Determinants of transfer methods						
	Remittance company	Bank transfer	Foreign exchange bureau	Hand-carried	Merchant to merchant	Other
Lowest cost	3	3	4	76	0	0
Reliable	32	6	12	44	0	1
Convenient location	5	2	4	0	0	0
Fast	38	4	15	17	0	0
Only choice	4	0	1	1	0	0
House delivery	0	0	0	3	0	0
Other	0	0	0	0	0	0

SOUTH AFRICA Determinants of transfer methods						
	Remittance company	Bank transfer	Foreign exchange bureau	Hand-carried	Merchant to merchant	Other
Lowest cost	92	0	0	11	0	0
Reliable	105	0	0	6	1	0
Convenient location	36	0	0	0	0	0
Fast	84	0	0	1	0	0
Only choice	54	0	0	0	0	0
House delivery	0	0	0	10	1	0
Other	3	0	0	0	0	0

Annex 7: Remittances' utilization according to senders

REMITTANCES' UTILIZATION ACCORDING TO SENDERS					
PORTUGAL Remittances utilization			SOUTH AFRICA Remittances utilization		
Consumptive uses and social expenditures			Consumptive uses and social expenditures		
Use	Frequency	Per cent	Use	Frequency	Per cent
Food	110	55.0	Food	23	10.3
Gas / transportation	28	14.0	Gas / transportation	2	0.9
Household appliances	13	6.5	Household appliances	2	0.9
Clothes	57	28.5	Clothes	6	2.7
Utilities	26	13.0	Utilities	0	0.0
Leisure	6	3.0	Leisure	0	0.0
Phone	10	5.0	Phone	0	0.0
Pay debt / consumptive loan	9	4.5	Pay debt / consumptive loan	1	0.4
Help / loan others	7	3.5	Help / loan others	0	0.0
Medicine / health care	88	44.0	Medicine / health care	13	5.8
Education (basic)	69	34.5	Education (basic)	5	2.2
Housing (minor costs / rent)	21	10.5	Housing (minor costs /rent)	3	1.3
Entire data set N = 200 100.0%			Entire data set N = 223 100.0%		
Economic activities and asset creation			Economic activities and asset creation		
Buy land	13	6.5	Buy land	4	1.8
Build / buy /improve house / apartment	11	5.5	Build / buy / improve house / apartment	3	1.3
Buy / grow / start a business	7	3.5	Buy / grow / start a business	2	0.9
Save	1	0.5	Save	2	0.9
Higher education /vocational training	3	1.5	Higher education /vocational training	0	0.0
Pay off business /home loan	0	0.0	Pay off business / home loan	0	0.0
Buy animals / livestock	1	0.5	Buy animals / livestock	2	0.9
Expand agricultural production	1	0.5	Expand agricultural production	0	0.0
Other (documents)	1	0.5	Other	3	1.3
Entire data set N = 200 100.0%			Entire data set N = 223 100.0%		
In-kind remittances			In-kind remittances		
Household equipment	24	12.0	Household equipment	16	7.2
Consumption goods	160	80.0	Consumption goods	105	47.1
Production goods	8	4.0	Production goods	9	4.0
Entire data set N = 200 100.0%			Entire data set N = 223 100.0%		

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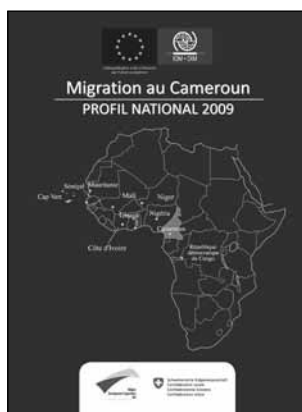
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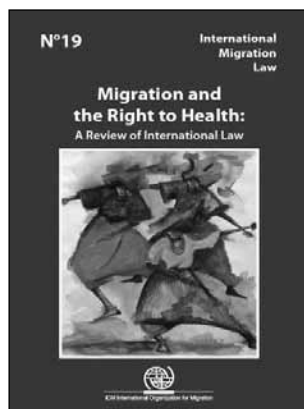
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The objective of this publication is primarily to promote respect by the State for the right to health for all those who migrate. Secondly, the publication aims more generally at guiding the reader through the myriad of norms and principles contained in international instruments impacting on migrating persons' right to health. Finally, considering the importance of the application de iure and de facto of the human rights norms which are at the core of migrating persons' protection, examples of compliance or non-compliance by States with relevant articles of human rights instruments have been added. It is hoped that this publication brings us one step closer in ensuring implementation of the law by way of policies, programmes and projects that are respectful of the human rights of all, including those who migrate.

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International Dialogue on Migration N°12 - Making Global Labour Mobility A Catalyst for Development

THE INTERNATIONAL ORGANIZATION
FOR MIGRATION IS COMMITTED TO
THE PRINCIPLE THAT HUMAN No.12
AND ORDERLY INTERNATIONAL
MIGRATION DIALOGUE BENEFITS
MIGRANTS AND ON MIGRATION
SOCIETY IOM ASSISTS IN MEETING
THE GROWING OPERATIONAL
CHALLENGES OF MIGRATION
MANAGEMENT MAKING GLOBAL
ADVANCES LABOUR MOBILITY
UNDERSTANDING A CATALYST FOR
OF MIGRATION DEVELOPMENT
ISSUES ENCOURAGES SOCIAL
AND ECONOMIC DEVELOPMENT
THROUGH MIGRATION UPHOLDS
THE HUMAN DIGNITY AND WELL-
BEING OF MIGRANTS



There are approximately 95 million migrant workers today, and mounting evidence indicates that labour mobility – whether temporary, circular or permanent – is set to grow in the decades to come. It is now widely acknowledged that labour mobility – a broader concept than but often used interchangeably with the term migration – if well-managed, can benefit both countries of origin and countries of destination, and individual migrants and societies. With the changes in both the magnitude and the patterns of migratory flows, there has been a growing awareness of the importance to find ways to maximize the benefits of such a major and largely inevitable phenomenon while minimizing its potential negative effects.

As part of IOM's International Dialogue on Migration, a two-day workshop on theme of "Making Global Labour Mobility a Catalyst for Development" was held in Geneva in October 2007. The event was organized by IOM in collaboration with the World Bank, OECD and ILO. Approximately 170 participants from 65 countries came together to share experiences and to identify effective tools for managing the movement of people in the context of a globalizing economy.

This publication provides an account of some of the main issues discussed during the workshop with a focus on key policy principles central to managing labour mobility in a way which maximizes its development benefits. The report includes: 1). a brief outline of the nature and evolution of labour mobility, 2). an overview of the principal objectives of labour migration policymakers in countries of origin and destination, 3). a practical discussion of the policy approaches to meeting these goals and 4). an exploration of the main challenges to be addressed and the key principles to be considered as a basis for further action.

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In contemporary migration literature, remittances are frequently considered as one of the most tangible links between migration and development. There is a renewed interest in the developmental impacts of these private financial transfers on receiving households, communities and nations.

This study sheds some light into the kinds of relationships that Angolans living in Portugal and South Africa keep with their country of origin, focusing on the financial remittances that they send back to Angola, as well as on aspects such as the level of organization and the transnational engagement of these communities in the development of their country of origin.

While the involvement of Angolans in collective development initiatives and investment projects could be considered an objective of the migration and development agenda in the long run, remittances are the most direct link between Angolans and their families and country of origin at present.

This study shows that there are many opportunities to further involve Angolans abroad in development cooperation. Facilitating remittance transfers through the adoption of appropriate policies and regulations, to foster competition among service providers in bilateral corridors as well as internally, is one example. Most importantly, reaching out to Angolans in Portugal and South Africa and building trust among these groups seems to be a precondition for enhancing the role of Angolan diasporas in development.



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