Harnessing the Diaspora Potential for Socio-Economic Development in Zimbabwe: Investment, Trade and Participation in Political Processes

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Foreword

Fundamentally, the message in this book, centers on opportunities for contributions that Zimbabwean Diaspora can make in the socio-economic and political development of the nation. The “Harnessing the Diaspora Potential for Socio-economic Development in Zimbabwe: Investment, Trade and Participation in Political Processes”, clearly and truthfully reflects that Zimbabwe cannot successfully and speedily develop economically, socially and politically without involving her sons and daughters living in other countries. The authors critically evaluated best practices from other countries like India, China and Philippines. These case studies demonstrate that the continual involvement of Diaspora community in their respective countries of origin spurs national development and contributes immensely towards the growth of the GDP.

To that end, policy makers and development practitioners from government ministries and departments as well as the private sector and civil society organisations in Zimbabwe should consider the experiences of the cohort of well experienced, skilled and highly educated Zimbabweans dotted around the world. Most of them have acquired international exposure and experience that the country direly needs at the moment in addressing political and socio-economic challenges through constitutional and institutional reforms, economic recovery and promotion of democratic governance imperatives espoused by the Global Political Agreement (GPA).

This study assesses the potential of the Zimbabwean Diaspora to invest and trade in their home country and how this can be harnessed with the view of reducing poverty. Furthermore to that the study also explicitly unveils specific and common challenges interfaced by the Zimbabwean Diaspora in venturing into trade and active participation back home. These include, but not limited to: volatile political and economic uncertainty; financial constraints, mistrust of the government; limited information on trade and investment; unfavorable investment regulations just to name but a few.

Most significantly, the authors also details viable investment opportunities that exist in the Zimbabwean economy. For instance in the mining, agriculture, infrastructural development, education, health, social welfare, equities and money market and, hotel and tourism, construction, textiles and clothing, finance and insurance. Lastly, but not the least, the authors highlight practical recommendations from identified challenges and available opportunities. Some of the recommendations include:

- Free participation of the Zimbabwean Diaspora in the political processes, such as voting and having dual citizenship
- Strengthening of institutions dealing with the Zimbabwean Diaspora issues.
- Provision of investment and trade incentives.
- Permission of all legal migrants in the host countries to engage in economic activities.

1The Global Political Agreement (GPA) was signed on 15 September 2008 by the Zimbabwe African National Union Patriotic Front (ZANU PF) and the two Movement for Democratic Change (MDC) formations and led to the formation of the Government of National Unity (GNU) in February 2009.
In light of this in-depth study, indeed, this is a must to read book, especially by policy makers and development practitioners. Civil society organizations in Zimbabwe, this is your book – the product that you produced and is imperative as a tool for conducting evidence-based policy advocacy to influence policy change.

*Mr Cephas Zinhumwe*

*NANGO – Chief Executive Officer*
Acknowledgements

This book came as a result of a series of studies carried out by the Institute of Development Studies (IDS) of the University of Zimbabwe, National Association of Non-governmental Organizations (NANGO) and Progressio. These three organizations came together with the idea of analysing current issues emerging in Zimbabwe, proffer solutions and lobby government on the way forward. Besides this theme (Migration and the Diaspora Potential), researches and policy dialogue in four other themes were organized. These are Youth and Empowerment, The Role of Local Government in HIV/AIDS, Gender and Agrarian Reform and Indigenization in the Mining Sector.

Several people and organizations have played significant contributions to make the study series in general and this book in particular, a success. We are highly indebted to the European Commission (EC) who funded this project. Progressio provided a leading role in fundraising as well as in coordinating partners in the Diaspora. We are also grateful to the Council of Zimbabwe Christian Leaders (UK) and Crisis in Zimbabwe Coaliton (CZC) in South Africa for mobilising delegates to attend workshops in UK and South Africa respectively. We also extend thanks to Development Foundation for Zimbabwe (DFZ) for organising the Victoria Falls Conference, that brought together Zimbabweans resident in other countries 2.

NANGO leadership and staff played a central role in making sure that the researches and policy dialogue workshops went on smoothly. They facilitated data collection by organising workshops and focus group discussions throughout Zimbabwe and in the Diaspora. They also organised lobby and advocacy meetings with Government, Parliament and the general policy community. The IDS staff and the editorial committee 3, provided direction for the studies, engaged researchers and provided quality control; we commend them for the work well-done.

This study could not have been a success without the immeasurable input from Zimbabweans in the Diaspora; they left their tight schedules in order to attend the data collection workshops and meetings. Finally, we would like to thank the editors who meticulously edited the book for publication.

Authors

2The delegates who attended the conference are resident in UK, USA, New Zealand, Australia, Canada, Botswana, South Africa, Ethiopia, Zimbabwe and many other countries.

3Members of the editorial Committee are: International Organization for migration (IOM), Zim Trade, Home Link Pvt Ltd, NANGO, Progressio Zimbabwe and IDS, Conforederation of Zimbabwe Industries (CZI)
### Abbreviations and Acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
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<tbody>
<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
</tr>
<tr>
<td>AU</td>
<td>African Union</td>
</tr>
<tr>
<td>CBZ</td>
<td>Commercial Bank of Zimbabwe</td>
</tr>
<tr>
<td>CDF</td>
<td>Commonwealth Development Fund</td>
</tr>
<tr>
<td>CZI</td>
<td>Confederation of Zimbabwe Industries</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GNU</td>
<td>Government of National Unity</td>
</tr>
<tr>
<td>HIV</td>
<td>Human Immune Virus</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>IDS</td>
<td>Institute of Development Studies</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>IOM</td>
<td>International Organization for Migration</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>LEDRIZ</td>
<td>Labour and Economic Development Research Institute of Zimbabwe</td>
</tr>
<tr>
<td>MDU</td>
<td>Migration and Development Unit</td>
</tr>
<tr>
<td>MIGA</td>
<td>Multilateral Investment Guarantee Agency</td>
</tr>
<tr>
<td>MTA</td>
<td>Money Transfer Agency</td>
</tr>
<tr>
<td>NANGO</td>
<td>National Association of Non-governmental Associations</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>PIOs</td>
<td>Persons of Indian Origins</td>
</tr>
<tr>
<td>RBZ</td>
<td>Reserve Bank of Zimbabwe</td>
</tr>
<tr>
<td>SA</td>
<td>South Africa</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Co-operation</td>
</tr>
<tr>
<td>SIRDC</td>
<td>Scientific and Industrial Research Institute Development Corporation</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>ZIA</td>
<td>Zimbabwe Investment Authority</td>
</tr>
<tr>
<td>ZNCC</td>
<td>Zimbabwe National Chamber of Commerce</td>
</tr>
<tr>
<td>ZSE</td>
<td>Zimbabwe Stock Exchange</td>
</tr>
</tbody>
</table>
Executive Summary

Throughout the world, the Diaspora plays an important role in the development of the home countries’ economies through remittances, skills and technology transfers, investments, trade as well as the creation of social and professional networks that advance the countries’ developmental needs.

In Zimbabwe, the World Bank (2008) estimates that migrant remittances through official channels amounted to US$17 million in 1980, increasing to US$33 million in 1982, and US$44 million in 1994. It is estimated that more remittances are sent through informal channels.

The objective of this study is to analyze the potential of the Zimbabwean Diaspora to invest and trade in their home country and how this can be harnessed with the view of reducing poverty. It was based mainly on getting the views (through meetings, interviews and workshops) of key stakeholders and resource persons in both the Diaspora and Zimbabwe.

South Africa and the UK were given special focus since most Zimbabweans living outside the country are in these two countries. In addition, an extensive review of relevant literature was also done.

The study indicated that about 72% of Zimbabweans in the Diaspora send remittances to relatives and friends back home and this is mostly done through informal channels. The recipients of the remittances use the money for food (41%), education (12%), rentals (10%), health (7%), and clothing (7%). About 30% of the respondents said that they had made significant investments in Zimbabwe since they left. The most preferred investment areas are immovable property, motor and transport, agriculture and mining.

It should however be noted that the Zimbabwean Diaspora is a heterogeneous group comprising different categories of people. The categories include refugees, asylum seekers, failed asylum seekers, resident permit holders, work permit holders, students and illegal immigrants.

The degree of investment depends on the level of income, which is in-turn influenced by one’s resident status, age and number of years spent in the host country.

Those staying legally in the host countries, with resident and work permits are generally able to engage in legal economic activities, which earn them enough income to invest, back home.

The other categories are not allowed to work and therefore find it difficult to raise funds to invest back home. Ironically, a considerable number in this group are highly skilled and hard-working. Permitting them to work would provide more income and skills development opportunities that would benefit Zimbabwe in the medium to long term.

The largest group of investors (36%) was found within the 30-39 age group, followed by the 40 – 49 age group (23%).

In terms of income levels, the highest number of investors (28%) was found in the income group of between US$ 20001 – US$30000 per year, followed by the US$ 10001 – US$20000 group (23%).

Viable investment opportunities exist in virtually all sectors of the economy, that is, mining & minerals beneficiation, agriculture and agricultural processing, infrastructure, immovable
property, Information & Communication Technology (ICT), education, health, social welfare, equities and money market, hotel and tourism, construction, textiles and clothing, finance and insurance. This is more so in view of the fact that Zimbabwe is recovering from a serious economic crisis and returns on investment are relatively high.

Less than 5% of the study respondents said that they have participated in any trade or initiated any trade deals between the host countries and Zimbabwe during the past ten years. Those who did bought second-hand vehicles, motor spare parts, electronic equipment and fuel coupons for resale in Zimbabwe. However, this was generally done on an ad hoc basis during the period of serious commodity shortages (2005 – 2008).

The potential niche markets for Zimbabwean products in the Diaspora (especially the UK) are ethnic artifacts, hard-wood furniture, minerals and products, organic agricultural products, leather products, cut flowers and cotton products.

Limited information on the existing trade and investment markets at home is a major reason why most Zimbabweans in the Diaspora do not invest or participate in any trade activities in the home country.

The lack of adequate investment capital or money to procure high volumes of tradable goods is a further impediment to trade and investment.

The current volatile political and economic situation in Zimbabwe obviously deters potential Diaspora investors and therefore must be normalized.

Additional conditions that would encourage the Zimbabwean Diaspora to invest in their home country include the following:

1. Facilitation of the free participation of the Diaspora in the political and socio-economic processes in Zimbabwe (e.g. allowance to vote).
2. Provision of more information on the investment, market and trade situations.
3. Strengthening of institutions dealing with the Diaspora issues.
5. Permission of all legal migrants in the host countries to engage in economic activities.
1. Introduction

Internationally, the Diaspora has played an important role in the development of their home countries. They have readily responded to the emerging needs of their home countries, through philanthropic remittances, emergency responses to natural disasters, conflict and economic collapse, technical assistance, business investments and trade, participation in Diaspora bonds, advocacy, and diplomacy.

In recent years, globalization, changes in migration patterns, and advances in information and communication technologies (ICT) have brought about more engagement, including increased Foreign Direct Investment (FDI), the creation of web-based professionals, social, political networks and advocacy initiatives.

As a result, empirical evidence indicates that the Diaspora today has an even greater capability of organizing itself into networks that can become strategically important within the development arena.

Throughout the years, the Diaspora has played a traditional, albeit consistent role in contributing to the homelands’ economies through increasingly large levels of remittances. This role has however now changed and the Diaspora has now become a significant engine of development, as it has much more to offer to the countries of origin than just remittances. The knowledge and skills gained, investments made, and social/professional networks developed now play a very important role in advancing the development of the homelands’ social, economic, political, and religious sectors. In addition to contributing to the home countries’ economic development (through the provision of financial and/or material resources), it constitutes a wealth of skilled and qualified manpower that can be tapped into for other areas of development – i.e. the forging of partnerships to address issues surrounding health, education, civil society, democracy and governance, conflict mitigation, etc.

The examples shown below show that for many countries, the Diaspora is now a major source of foreign direct investment (FDI), market development (including the outsourcing of production), technology transfers, philanthropy, tourism, political contributions, and the intangible flows of knowledge, new attitudes, and cultural influences.

There is a growing recognition among academics and policymakers of the empirical connection between migration and development. China, Israel, South Korea and India have all successfully harnessed their Diaspora for development purposes. Countries like Brazil, Egypt, El Salvador, Guatemala, Kazakhstan, Mexico and Turkey have used remittances to secure cheaper long term finance.

The World Bank estimates that in 2009 the Philippines was able to achieve a stable current account surplus despite the global financial crisis and a decline in exports raising an estimated US$750 million, mainly due to the role played by the Philippine Diaspora through remittances and investments back home.

*Developments in ICT and ICT-based tools including computers and the internet, web-based technologies, television, radio, mobile phones, etc now give the Diaspora the ability to make critical contributions to the development of their homelands.*
Studies have shown that a 10% increase in the number of international migrants in a country’s population will almost always result in a 1.6% reduction in the poverty head count (World Bank, 2008). Equally, a 10% increase in the share of remittances in a country’s gross domestic product can lead to a 1.2% decline in poverty.

Zimbabwe has experienced a phenomenal increase in the number of people leaving the country during the last ten years because of political and economic reasons.

A 2005 Reserve Bank of Zimbabwe study estimated that between 3 - 4 million Zimbabweans now live outside the country with about 1.5 million, 1 million and 200 000 Zimbabweans living in South Africa, Botswana and the UK respectively.

Studies have shown that these people are already remitting a significant amount of funds to their families (IOM, 2009 and RBZ, 2008a).

The IOM estimates that Zimbabwe received remittances of about US$ 17 million in 1980, US$ 44 million in 1994 and US$ 361 million in 2007. However information on Diaspora-led trade and investment is scant because the subject has so far received little attention.

It is therefore hoped that their contributions will soon become an important source of investment. The Diaspora is also expected to initiate important trade links that will benefit the economy in the long-term. This development would be welcome since the country has experienced a decline in FDI in the last ten years.

1.1 Definition of terms

Diaspora: Political scientists define the concept of Diaspora from different perspectives, and these include political refugees, alien residents, guest workers, immigrants, and expellees, ethnic and racial minorities living in countries other than their original homeland. The concept is based on the claim to the natural right to return to one’s homeland. The key characteristic is the strong sense of connection to the homeland maintained through cultural practices and ways of life practiced in host countries and various other forms of integration with the homeland.

Scheffer (2003:5) defines the Diaspora as “… the modern ethnic minority groups of migrant origins residing and acting in host countries but maintaining strong sentimental and material links with their countries of origin—their homelands.”

The African Union (AU), (2005:7) defines the African Diaspora as “consisting of peoples of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union.” The AU, Protocol on Amendments to the Constitutive Act (2003:2) declares that it shall “…. invite and encourage the full participation of the African Diaspora as an important part of the continent, in the building of the African Union”.

Thus, for the purposes of this paper we will adopt a broader understanding of the “Zimbabwean Diaspora” as both defined by Scheffer (2003) and the African Union (2005).

*The term Diaspora comes from the Greek words “to sow” and “over”, as in the scattering of seed, and for them it meant the “seeding” of Greek colonies in distant lands. It was later associated with forced expulsion and dispersal and acquired the sense of loss and the implication of a strong desire to return.*
Migration: This is the act of leaving one’s country of birth for a foreign country. People usually do this for various reasons like seeking a better life, joining families abroad or fleeing political prosecution at home.

Emigrant: This refers to a person that has left his/her original country to live in another one.

Asylum Seeker: This refers to a person seeking refuge from war or persecution in his/her home country.

Refugee: A person fleeing war or political persecution in his/her home country and has been granted refuge in another country.

Failed asylum seeker: One whose application for refugee status has been turned down.

Remittances: These are resources in cash or kind sent by people to family members or friends back home to assist them in meeting daily needs (food, school fees, funerals, home maintenance, etc.). They are domestic if sent by family members within a country (e.g. those in towns) and international when sent by family members living outside the country.

Diaspora Investment: This is when an individual, groups of people or institutions in the Diaspora provide capital for private or public business ventures for personal or public gain. A person can also invest in community projects that contribute to the development of his/her communities without expecting personal financial gains from the initiative (schools, health, community centres, etc.). One can also facilitate investment, whereby he/she is involved in attracting FDI into the home country without actually committing his/her own funds. The major benefits of investments include employment and income generation.

Trade: This is the exchange of goods and services across country borders. It can act as an engine for development by stimulating commodity demand, creating employment and raising incomes.

1.2 Problem Statement

One of the major achievements by the Zimbabwean government since 1980 was the provision of education to its people. However, a considerable number of these people have since migrated to other countries in the last ten years due to political and economic problems experienced in the country. The migrations have had a negative impact on the country’s economy.

Zimbabwe has so far not benefited much from its citizens in the Diaspora. This is because the Zimbabwean Diaspora is not fully participating in contributions towards the conceptualisation of key economic development policies targeted at revamping the economy.

Although studies show that Zimbabweans in the Diaspora remit money to relatives back home, little has been done to invest in their country, which desperately needs investment capital to create more employment opportunities and economic growth. Significant trade initiatives are also expected from the Zimbabweans in the Diaspora which have so far been minimal.
1.3 Study objectives

The major thrust of this study is:

i. To analyse the potential of the Zimbabwean Diaspora to invest and trade with their home country and how this can be harnessed with a view of reducing poverty in Zimbabwe.

ii. To learn best practices from other countries on how they have engaged people in the Diaspora to participate in socio-economic and policy development.

iii. To make recommendations on how to improve the Diaspora contributions to investment and trade.

1.4 Research methodology

The methodology used in the research applied four distinct approaches to gather data.

These are secondary literature review, use of a standard questionnaire, workshops/meetings as well as interviews with government officials, NGOs and migration experts.

A literature review of previous studies on migration and the Diaspora in general and Zimbabwean experiences in particular was carried out. It was discovered that the issue of migration has featured prominently in the last five years (2005-2010) with Zimbabwe receiving considerable attention. The International Organization for Migration (IOM) has published reports on Zimbabwe migration trends, the socio-economic impact and the legal-institutional framework governing migration (IOM, 2009). Other scholars have analysed this issue and produced papers especially those focussing on remittances (Magunha, et al., 2009). However, issues of Diaspora investment and trade have so far received little attention and require further investigation.

A standard questionnaire was developed to capture a wide variety of data, including socio-economic backgrounds, statuses in the host countries, linkages with the home country and any investment/trade plans.

430 questionnaires were distributed and about half of the people contacted responded positively by submitting completed questionnaires. Face-to-face interviews were also held with an additional 45 people, bringing the total number of those consulted to 260 (see table 1.1). A gender dis-aggregation of the respondents shows that women constituted about 42% of the total.

However, the number of people consulted constitutes a tiny percentage (less than 1%) of the estimated 3 million Zimbabweans living in the Diaspora. This therefore means that, this study is not fully representative enough of the Zimbabwean Diaspora, but provides a useful insight on issues regarding the role the Diaspora can play investment/trade.

The study is mainly targeted at policy makers.
Table 1.1: Study sample

<table>
<thead>
<tr>
<th>Method of data capturing</th>
<th>Number and origin responses</th>
<th>Uk</th>
<th>S. Africa</th>
<th>Other</th>
<th>Zimbabwe</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>M</td>
<td>F</td>
<td>M</td>
<td>F</td>
</tr>
<tr>
<td>Questionnaire</td>
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<td>41</td>
<td>43</td>
<td>38</td>
<td>25</td>
<td>11</td>
</tr>
<tr>
<td>Interviews with the Diaspora</td>
<td>14</td>
<td>8</td>
<td>16</td>
<td>7</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interviews with government officials</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interview with NGOs</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>56</td>
<td>62</td>
<td>49</td>
<td>25</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Study results, 2011

M=Male  F=Female

In addition to consultations with the actual target group, 9 interviews were held with government officials and 14 with Non-Governmental Organisations (NGOs).

The objective of the interviews was to provide an independent view on the issues under study and to get an indication of where policy interventions can help improve the investment and trade in the country by the Diaspora.

Policy makers in Zimbabwe provided crucial information on what the Government is doing to meet the challenges faced by those living in the Diaspora and how the political and economic participation framework can be enhanced.

In the UK and SA, policy makers gave an insight into issues relating to immigration and asylum policies as well as the regulations guiding the employment and social integration of foreigners.

1.5 Research limitations

The major limitation to the study was that of coverage, which was due to resource constraints. Zimbabweans are very widely distributed throughout the world but the study could only cover South Africa and the UK. In addition, it only managed to interview emigrants living in or around the major capitals of the two countries i.e. Johannesburg for South Africa and London and Leicester for the UK. There was no specific empirical sampling frame that was used and the researchers relied exclusively on focal persons in the identification of respondents. The focal persons were also responsible for organising the workshops and meetings. Although efforts were made to ensure that workshop participants were as representative as possible, this cannot be guaranteed since some respondents may have been selected on the basis of friendships or other social ties. A significant number of people (especially those working in the health sector in the UK) could have been missed since they are almost always busy or looking for jobs and therefore had little time to spare for attending interviews or workshops.
It appeared as if less accurate information was provided about self, especially with regards to residence and income statuses because most emigrants were afraid that the information could be used against them by the authorities in both their home and host countries. Efforts were made to allay such fears by giving assurances that the information would not be used for any other purpose than the study. Respondents were also given the option of remaining anonymous or not responding to questions they felt uncomfortable with. A significant number of the respondents expressed “survey fatigue”, saying that they had already participated in similar surveys before (e.g. those by IOM and RBZ) but were never shown the research results.

2. Role of the Diaspora in General – A Global Perspective

The Diaspora has made significant contributions to the development of their countries in many ways with the most tangible being remittances. A World Bank study, Global Development Finance (2003), highlighted that remittance flows were the second-largest source, after FDIs, of external funding for developing countries. They were also the most reliable and consistent source of finance which does not fluctuate with different economic cycles. For a number of countries, remittances are now the principal source of foreign exchange. Whether meant for consumption or investments, remittances appear to be less volatile than capital flows. In fact, they tend to increase in times of economic hardships since the recipient families depend on them as a principal source of income and also because more people are likely to emigrate for work during such times. Better-off migrants investing in their home countries are also less likely to be discouraged by adverse economic conditions than foreign investors. In addition, remittances generate positive multiplier effects, since recipient households increase their consumption of local goods and services, thereby stimulating production and employment in local industry (World Bank, 2003).

Table 2.1 shows the year 2007 world remittances by region. The Latin American and Caribbean countries took the lead receiving over US$ 60 billion, followed by East Asia and the Pacific with about US$ 59 billion and Europe and Central Asia with more than US$ 47 billion. Sub-Saharan Africa remitted the least with only about US$ 12 billion received. Remittances of only 48% were made through formal channels in this region compared to 75% in Europe and Central Asia, 61% in East Asia and the Pacific and 63% in Latin America and the Caribbean.

Studies have shown that the African Diaspora is reluctant to use formal channels because they are expensive and not very widely distributed in some countries (World Bank, 2003; IOM, 2009). Policies must therefore be developed that would lead to more competition among financial institutions and money agencies to help reduce money transfer costs.

Most of the remittances in Sub-Saharan Africa are for consumption and social security purposes. This underlines the poverty and social insecurity situations existing in this region. A reduction in poverty would certainly ensure that more funds are used for development as is the case in other regions like Latin America and Caribbean where 74% of the remittances are used for development purposes.
Table 2.1: World Remittances by Region in 2007 (USD billion)

<table>
<thead>
<tr>
<th>Region</th>
<th>Remittance 2007 (US$ bill)</th>
<th>Channels Used</th>
<th>%GDP</th>
<th>Prime utilization of remittances</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia &amp; the Pacific</td>
<td>58.9</td>
<td>61% formal</td>
<td>1.5</td>
<td>Consumption &amp; development</td>
</tr>
<tr>
<td>Europe &amp; Central Asia</td>
<td>47.5</td>
<td>75% formal</td>
<td>1.7</td>
<td>57% development; 28% social security</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>60.7</td>
<td>63% formal</td>
<td>1.9</td>
<td>74% developmental</td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
<td>28.7</td>
<td>51% formal</td>
<td>3.9</td>
<td>Highly consumptive practices</td>
</tr>
<tr>
<td>South Asia</td>
<td>44.0</td>
<td>50% formal</td>
<td>3.5</td>
<td>Developmental &amp; consumption</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>11.7</td>
<td>48% formal</td>
<td>1.7</td>
<td>Consumption &amp; social security</td>
</tr>
</tbody>
</table>

Source: World Bank 2010

A dis-aggregation of the regions by country shows that there are more international remittances in Asian countries (Figure 2.1). In 2007 India topped the list with over US$ 25 billion, followed by China (US$ 25 billion), the Philippines (US$ 17 billion) and Bangladesh (US$ 6 billion). Three countries in Africa (Egypt, Morocco and Nigeria) are among the top 20 countries with the highest remittances in the world.

Figure 2.1: Top 20 Developing Countries Remittances (2007)

Source: World Bank 2008

2.1 International best practices

The impact remittances make depend on whether they are spent on consumption or investment. If saved or invested, they have a multiplier effect on the economy – a development impact. Remittances have positive growth-enhancing effects like financing development
projects, which include schools, clinics and other infrastructure; human capital; entrepreneurship and bank deposits (savings).

Different countries have adopted different strategies to harness international remittances for development as shown in Table 2.2.

2.1.1 Special Diaspora Accounts

Bangladesh, India, Sudan, Egypt and Tunisia have introduced special Diaspora Deposit Accounts in commercial banks. Holders of these accounts are given preferential interest rates as well as the options to have foreign currency – denominated accounts. In Egypt, the interest generated from the accounts is tax exempt. In Sudan, recipients of remittances receive customs duty rebates on imports of up to US$14,000 if they are retained in special accounts over a period of six months. Sudan has also granted emigrants an “incentive exchange rate,” which is slightly more attractive than the official one, to encourage them to send money home.

2.1.2 Matching funds

Mexico has introduced the concept of matching funds (Inicia-tiva Ciudadana, Mexican 3x1). Under the programme, every dollar remitted by Mexican Hometown Associations (HTAs) is matched with three dollars, each from the federal, state and municipal governments. The average project has a budget of about US$40 000 of which US$10 000 is donated by the HTAs. The majority of projects invest in infrastructure and utilities like water, sewage, electricity, roads, pavements, small dams, water treatment and community facilities.

2.1.3 Investment schemes

The Philippines, Egypt, and Moldova have programs that allow migrants to buy land at preferential prices. In Sudan, the Land for Emigrants Program provides quick foreign exchange for building plots in the Khartoum area at preferential rates. Pakistan offers a non-repatriable investment scheme and business set-up advisory services for migrants.

2.1.4 Special Bonds for investment

The following countries issue special bonds to migrants which finance public investments: Bangladesh, China, Egypt, Eritrea, India, Israel, Lebanon, Pakistan, and the Philippines.

2.1.5 New ICT advancement

The Philippines Smart Communications and Globe Telecoms are two companies that offer remittance transactions through the mobile phone. Mobile phone users register themselves by entering personal information, including say, their mother’s maiden name for ID purposes. Their relatives abroad can then visit an authorized outlet near them, complete a form, and present some identification and money is credited to their phone accounts.

2.1.6 Mandatory remittances

Mozambique and Lesotho require migrants to remit 60% and 30% of their earnings, respectively back home.
Table 2.2: International best practices in harnessing remittances for development

<table>
<thead>
<tr>
<th>Country (ies)</th>
<th>Types of Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh, India, Sudan, Egypt, Tunisia</td>
<td>Special Deposit Accounts Commercial Banks</td>
</tr>
<tr>
<td>Mexico</td>
<td>Matching Funds</td>
</tr>
<tr>
<td>Philippines, Egypt, and Moldova</td>
<td>Investment schemes</td>
</tr>
<tr>
<td>Bangladesh, China, Egypt, Eritrea, India, Israel, Lebanon, Pakistan, and the Philippines.</td>
<td>Specail Bonds for investments</td>
</tr>
<tr>
<td>Phillipines</td>
<td>New ICT advancements</td>
</tr>
<tr>
<td>Mozambique, Lesotho, Bangladesh, Egypt Pakistan, the Philippines and Thailand.</td>
<td>Mandatory remittances</td>
</tr>
</tbody>
</table>

Source: ILO, 2010

2.1.7 Linking Diaspora investment to political rights

Some developing countries like Iraq, Afghanistan, East Timor, Bosnia, Mozambique and Herzegovina allow the Diaspora to vote and special institutions have been developed for this purpose. Due to the external voting, the Diaspora feels represented in civilian and political life at home. This provision is in accordance with the International Covenant on Civil and Political Rights (ICCPR), which contributes to individual empowerment, participatory involvement and more importantly provides incentives for continued Diaspora involvement.

2.1.8 Dedicated Diaspora Institutions

The following countries have created Government Ministries and Departments that deal specifically with Diaspora issues: Ethiopia, Burkina Faso, Tunisia, Mali, Ghana, Benin, Senegal, America, Chile, Brazil, Syria, France, Australia, Italy, Turkey, Peru and Azerbaijan. These authorities are responsible for the welfare of people living in the Diaspora ensuring their participation in political and socio-economic activities back home.

3. The Zimbabwean Diaspora, Investment and Trade


In the first half of 2011, receipts from the Diaspora through licensed bureaux de changes were estimated at US$135 million, up 22% from US$110.5 million recorded in 2010. The International Fund for Agricultural Development (IFAD) estimated remittance inflows (formal and informal) to Zimbabwe at US$1.3 million in 2004 and US$361 million in 2007 (7.2% of GDP). A study by Leeds University estimated that US$0.94 billion was sent from the UK to Zimbabwe in 2007. A UNDP study (2010) estimated remittance inflows to Zimbabwe at US$1.4 billion in 2009.

These studies indicate that more remittances are made through informal channels and thus showing the need to put in place measures to encourage the use of formal channels.

5RBZ, Mid-term Monetary Policy; July 2011.
Formal remittance transfers to Zimbabwe over the past decade have been affected by several changes in the policy and regulatory environment. The fixed exchange rate regulations, the tight exchange controls and the hyper-inflationary environment resulted in formal remittances remaining sluggish throughout the crisis period. People in the Diaspora preferred sending remittances through informal channels as these paid more than the formal system; and as such the country derived no direct benefits from the transfers.

This study shows that 72% of Zimbabweans in the Diaspora send money through informal channels. 54% of those interviewed sent more than US$500 every month, which was mostly used by relatives for food (41%), education (12%), rentals (10%), health (7%), clothing (7%) and investments (14%), especially property development.

### 3.1 Investment

Whilst it is acknowledged for a fact that the Diaspora makes a substantial contribution to remittances, it is however, not clear whether enough is invested in the home country to stimulate economic growth and create employment.

It is therefore important to examine the extent to which the remittances contribute to investment in the country; the number that has so far invested in the country, the investment levels and sectors preferred and the challenges faced.

#### 3.1.1 Investment levels

78 (30 %) of the 260 respondents consulted, stated that they have invested in Zimbabwe since leaving the country (Table 3.2). The degree of investment has differed and largely based on age and income levels.

| Table 3.1: Remittances, travel receipts and diplomatic receipts (USD million), 2000–2008 |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|                                | 1.60     | 0.60     | 1.10     | 1.10     | 61.00    | 18.20    | 6.50     | 48.50    | 76.00    |
| Receipts                       | 1.40     | 1.40     | 1.10     | 1.10     | 61.00    | 18.20    | 6.50     | 48.50    | 76.00    |
| Payments                       | 3.00     | 2.00     | -        | -        | -        | -        | -        | -        | -        |
| Travel (net)                   | 9.60     | 5.80     | 26.50    | 38.90    | 179.10   | 121.60   | 132.60   | 104.10   | 85.20    |
| Receipts                       | 88.60    | 57.90    | 52.70    | 61.00    | 193.70   | 148.60   | 149.70   | 117.10   | 102.00   |
| Payments                       | 79.00    | 52.10    | 26.20    | 22.10    | 14.60    | 27.00    | 17.10    | 13.00    | 16.80    |
| Diplomats (net)                | 19.50    | 39.00    | 36.80    | -        | 24.20    | 29.70    | 33.20    | 31.80    | -        |
| Receipts                       | 35.50    | 26.00    | 25.00    | 26.40    | 26.00    | 26.00    | 26.00    | 24.60    | 8.50     |
| Payments                       | 55.00    | 65.00    | 61.80    | 64.40    | 50.20    | 50.20    | 55.70    | 57.80    | 40.30    |

Source: RBZ, 2008b
The biggest group of investors (36%) is found in the 30 – 39 age group, followed by the 40 – 49 age group (23%).

The group of investors (28%) are in the US$ 20001 -30000 per year income group, followed by the US$ 10001 – 20000 per year group (23%). Those earning more than US$ 40000 are concentrated in the 40 – 49 age group and are a significant source of investment. They are also well established, occupy senior positions at work with some running own companies.

This underscores the need for host countries to allow Zimbabwean migrants to utilise their professions and to start their own business wherever possible.

Table 3.2: Diaspora investment according to age and income level (N=78)

<table>
<thead>
<tr>
<th>Age group (in years)</th>
<th>Number of Diaspora investors according to income levels in USD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>less than 10000</td>
</tr>
<tr>
<td>Under 20</td>
<td>4</td>
</tr>
<tr>
<td>20-29</td>
<td>2</td>
</tr>
<tr>
<td>30-39</td>
<td>3</td>
</tr>
<tr>
<td>40-49</td>
<td>1</td>
</tr>
<tr>
<td>above 49</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10</td>
</tr>
</tbody>
</table>

% of Total 13% 23% 28% 19% 17% 100%

Source: study results, 2011

3.1.2 Preferred investment areas

The majority of the Zimbabweans in the Diaspora (35%) who invested, did so in immovable properties (houses, commercial properties and vacant stands) as shown in Figure 3.2.

About 30% of them bought properties during 2005 – 2008. The parallel market existing at that time made properties very cheap for those with the foreign currency. The marginal normalisation of the economic situation in 2009, has not changed respondents’ preference of the property sector as the first choice of investment.
The motor and transport sector was the next preferred area of investment with over 20% having contributed to it. A highly inflated foreign exchange rate on the parallel market reduced the customs duty payable on imported vehicles thus enabling the Diaspora to easily export vehicles (especially commuter buses and heavy goods trucks) and spare parts back home. The shortage of transport on the domestic market coupled by the viability problems of the National Railways of Zimbabwe (NRZ) increased the demand for transport vehicles (passenger and goods).

About 18% of the investors committed funds to agriculture. The unplanned and violent fast track resettlement programme undertaken by government during 2000 – 2008 removed white commercial farmers, who were the major producers of tradable agricultural goods like tobacco, cotton, sugar, meat and meat products, dairy products, timber, tea and coffee from the farms. The removals resulted in a significant decline in agricultural production and serious shortages in the supply of agricultural inputs and machinery.

Zimbabweans living in the Diaspora, together with relatives back home used the advantage of access to foreign currency to import inputs by investing in agriculture. A few investors (10%) ventured into mining, where they benefited from firming international mineral prices.

The manufacturing sector has attracted little interest from the Diaspora investors (5%) as it is considered risky due to the prevailing political and economic uncertainty. However, more than 30% of the respondents see this sector as lucrative in the long-term and would be willing to invest in it.

The Diaspora has also invested in commerce and the social sector (health, education and social welfare). A few have used their experience with welfare organizations in developed countries to start similar programmes in Zimbabwe purely on a philanthropic basis. However, the impact of such programmes is limited to a few areas due to funding constraints.
3.1.3 Potential investment opportunities

All the study respondents (including non-investors) were asked to identify potentially viable investment sectors in Zimbabwe and gave a wide range of these, which include mining and minerals beneficiation, agriculture and agricultural processing, infrastructure development (energy, water roads, airfreight), immovable property, ICT, social sectors (education health, social welfare), equities and money market, hotel and tourism, construction, textiles and clothing, finance and insurance.

All these sectors are potentially viable for investment, especially considering that Zimbabwe is recovering from a serious economic crisis. There is need to rehabilitate the infrastructure as well as develop new ones. There is also need to re-capitalize the agricultural and mining sectors since these are labour intensive and will create more employment opportunities in both up and down-stream industries.

About 7% of the respondents showed a willingness to enter into agreements with big companies in the host countries in order to start minerals beneficiation in Zimbabwe. This will create hundreds of thousands of job opportunities.

Less than 3% of the respondents said they are already involved in the manufacturing of agricultural equipment and are ready to start production in Zimbabwe as soon as the political and economic situation stabilizes.

A considerable number of the respondents (35%) want to invest in the actual farming if the property rights issues are resolved.

About 5% of the respondents expressed the desire to attract investors in engineering projects like road construction, manufacturing of agricultural machinery and development of industrial and residential areas (construction industry).

There are also good investment and trade opportunities in the services sector, especially finance, tourism and telecommunications.

A few respondents said they are working with international investors interested in wild life consevancy investments, which would attract a lot of tourists every year.

Health and education professionals in the Diaspora are confident of making profitable business, which has since shifted to South Africa in the past ten years. As one professional put it “We have the latest technology and know-how in medicine. Given the chance we can establish top quality standard surgeries that would make it unnecessary for patients to spend money travelling to South Africa for treatment”. In education, the majority of the respondents highlighted that Zimbabwean students are spending thousands of dollars coming to South African Universities, only to be taught by Zimbabwean lecturers. Given the chance, the lecturers will be able to offer the same quality education at a fraction of the costs in Zimbabwe.

Another area of interest is cultural products. Zimbabwe has talented artists, especially in stone and wood curving and there is high demand for such products in the world.

The Diaspora should take the opportunities being offered by the Government indigenous empowerment programmes such as the Supply & Distribution Indigenization and Empowerment (SADIE) Model as proposed by the RBZ in the 2011 Mid - Term Monetary Policy. Under
the SADIE framework, government will ensure that indigenous people supply inputs and services into the country’s production processes. This will result in them controlling the downstream industries through the supply of raw materials, services and other inputs. Companies will therefore be required to source a specified proportion of their inputs, raw materials and spares from indigenous entities.

Some sectors (agriculture, hunting and fishing, transport, communications, construction and real estate) are already indigenized. Some sectors are dominated by government, including public administration, education, health and domestic services. Combined, the sectors controlled by government and private Indigenous people contribute approximately 73.5% of the country’s GDP. The Diaspora can play a critical role in the supply chain in these sectors.

The major sectors targeted for empowerment and where Diaspora capital is required are manufacturing (contributing 14.5% to the GDP), mining and quarrying (8.8%) and finance and insurance (3.2%). The SADIE will require that at least 75% of industrial procurements are reserved for indigenous people or companies. Current non-indigenous supply/distribution/marketing contracts can be negotiated over to indigenous people without affecting or compromising the quality of the products.

As a solution to shortcomings on the quality of raw materials, mentorship programs and smart partnership arrangements could be put in place in a transparent manner. The RBZ believes that there are business opportunities to the tune of US$2.2 billion for locals in the economy.

Table 3.3 Potential investment areas

<table>
<thead>
<tr>
<th>Sector</th>
<th>Contribution GDP (%)</th>
<th>Sectoral GDP (USD mill)</th>
<th>Share of Inputs in Total costs (%)</th>
<th>Potential Value of Business (USD mill)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>12</td>
<td>1035.2</td>
<td>53</td>
<td>548</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>18</td>
<td>1552.9</td>
<td>57</td>
<td>878.9</td>
</tr>
<tr>
<td>Construction</td>
<td>2</td>
<td>172.5</td>
<td>79</td>
<td>136.3</td>
</tr>
<tr>
<td>Distribution &amp; Hotels</td>
<td>10</td>
<td>862.7</td>
<td>36</td>
<td>310.6</td>
</tr>
<tr>
<td>Transport and communication</td>
<td>5</td>
<td>431.4</td>
<td>69</td>
<td>297.6</td>
</tr>
<tr>
<td>Other</td>
<td>53</td>
<td>4572.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>8627</td>
<td></td>
<td>12172.1</td>
</tr>
</tbody>
</table>

*Source: Reserve Bank of Zimbabwe, 2011*

Under SADIE, locals can supply 42% of the expenditures incurred in the financial sector and 26% of the requirements of government departments.

Other empowerment avenues include:

- At least 30% of supplier companies controlled by women
- Cross border women exempted from paying duty
• At least 15% of Zimbabwean business sold to women
• Government introduces tax rebates for companies that source inputs from locals
• Community Development Fund. Rural communities empowered through the establishment of a community development fund, financed by royalties from mining houses. Funds collected will be used to develop the communities in which the companies operate. In this regard the RBZ proposed the hiking of royalties from 4.5% to between 10 -15%.

The RBZ proposal provides viable channels of investment by the Zimbabwean Diaspora. It also ensures business continuity and addresses immediate needs like food, health and accommodation.

Similar recommendations were given by the Chamber of Mines that proposed the transfer of 25% equity to locals with the other 26% coming in the form of social credits.

Both approaches are contrary to the equity approach, which benefits only a few people.

3.2 Trade

Less than 5 % of the respondents stated that they have participated in trade (or initiated trade deals) between their host countries and Zimbabwe during the past 10 years.

The traders bought second-hand vehicles, motor spare parts, electronic equipment and fuel coupons for resale in Zimbabwe. However, this was done on an ad hoc basis during the period of serious commodity shortages (2005 – 2008).

Commuter transport buses and light vehicles were mostly acquired from Japan, Singapore, the Middle East and South Africa while heavy trucks were acquired from the United States of America, the Middle East, the UK and Canada.

Besides, dealing in the above-stated goods, the Zimbabwean Diaspora was not involved in any systematic or significant trade. The major reason given for the limited trade participation was the lack of awareness of the market situation at home.

The volatile economic situation in Zimbabwe also discouraged the Diaspora from carrying out any trade activities. The further impediments to trade were given as the lack of adequate capital to procure high volumes of tradable goods that can be sold at a profit.

When asked on the type of commodities that can be imported from Zimbabwe for resale in the host countries, the majority identified ethnic artefacts (28 %), hard-wood furniture (14 %), minerals and related products (21 %), organic agricultural products (14 %), leather products (10 %), cut flowers (7 %) and cotton products (3 %) as viable.(See Figure 3.3).
4 Investment and trade – related challenges

Several challenges are faced when one wants to invest in Zimbabwe or trade with organizations in this country. Some challenges are general but there are specific ones by different groups according to age, resident status, income level etc. (Table 4.1). All the groups however face the problem of non-recognition by some companies of some academic and professional qualifications acquired in Zimbabwe. This is mainly due to the deterioration of education standards in the country. Employment and income opportunities of those affected are therefore limited.

The socio-political situation in Zimbabwe also poses a major challenge related to political uncertainty, exclusion from the socio-political processes, limited channels of investment/trade, inadequate market-related information and limited institutions dealing with Diaspora issues.

4.1 Group-specific challenges

4.1.1 Refugees, asylum seekers and illegal residents

A political refugee is a person who flees from war or political persecution in his/her own country to seek protection in another country. Some political refugees are highly educated and skilled and if granted enough opportunities, can make significant contributions to both their host and home countries.

The people of Jewish descent for instance, have made immense contributions throughout the world when they sought political refuge in other countries, fleeing Nazi Germany. However, if refugees are denied the opportunity to practice their skills (through work) they will have minimal contributions to development and can actually be a burden to the tax-payer in the host countries.
More than 90% of the study respondents left the country after the year 2000 when the economic and political situation in the country started to deteriorate. The national elections of 2002, 2005 and 2008 were characterised by violence, where ZANU PF party members targeted the opposition (MDC) and members of the civil society with violence.

Most Western countries were sympathetic to the victims of the violence and offered them political asylum. This process was relatively easy at first. Table 4.1 shows that 22% of the study respondents in the UK, 16% in South Africa and 11% in other host countries are refugees whilst a further, 15% in the UK, 8% in South Africa and 7% in other countries are asylum seekers. The group of failed asylum seekers constitutes 11% in the UK, 3% in South Africa and 2% in other countries.

A significant number of all these people are highly qualified professionals (teachers, engineers, nurses, doctors etc.) as well as hard-working that if granted permission to work (or start own businesses) legally, can be an important source of investment capital and trade for Zimbabwe. They can also facilitate technology transfers and bring the best business practices in their professions to Zimbabwe. However, some are forced to do piece jobs illegally but at the risk of losing their asylum status or being deported back to Zimbabwe. The income they can raise from their illegal work is barely enough to send home for consumption purposes; not speaking about investment.

<table>
<thead>
<tr>
<th>Residence status</th>
<th>Proportion Study respondents in the host country (%)</th>
<th>Challenges faced</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UK</td>
<td>SA</td>
</tr>
<tr>
<td>Refugees</td>
<td>22</td>
<td>16</td>
</tr>
<tr>
<td>Asylum seekers</td>
<td>15</td>
<td>8</td>
</tr>
<tr>
<td>Failed asylum seekers</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Students</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Permanent residents</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Work permit holders</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Illegal residents</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Missing/no response</td>
<td>28</td>
<td>28</td>
</tr>
</tbody>
</table>

Source: Study results, 2011
**4.1.2 Resident and work permit holders**

Having resident and work permits in the host country is a status desired by all Zimbabweans in the Diaspora. With this, a person can work, establish a business and visit home whenever they wish. Such conditions are conducive for investment and trade for the immigrants.

However only about 14% of the respondents in the UK, 23% in South Africa and 22% in other countries can stay and work there legally. A considerable number earn relatively high incomes and some have established successful business ventures with branches back in Zimbabwe.

The majority of these people were the first to emigrate when the political/economic crisis started during 2000 – 2004. Some of them were actually recruited by employment agencies based in Zimbabwe among these were medical doctors, business people, technicians, teachers, nurses, bankers, artisans and sports people. Over 85% of the respondents in this group said they remitted an average of US $10,000.00 per year to their relatives back home. They also make regular visits to Zimbabwe and plan to make substantial investments when the political and economic situation stabilizes. In fact all the 78 study respondents who have invested back home as shown in Table 3.2 above belong to this group.

However not all members of this group are successful since some face challenges of finding suitable employment. Because their home qualifications are not recognised, they are forced to either re-educate/re-train themselves or change professions altogether. Some have to contend with occupying work positions that are both below their potential and low paying. For instance, many highly qualified Zimbabweans have joined the health care sector in the UK or the security sector in South Africa not because they are qualified (or like it) but because this is where they can get the jobs.

**4.1.2.1 Income levels**

Being employed is not enough on its own for a person to be able to make any investment in Zimbabwe. He/she needs extra funds and the higher the income, the more one is inclined to invest home (Table 4.2).

The table shows that high income earners do not only save money for investment back home in absolute terms, but also save a higher proportion of their income compared to low income earners. For instance those earning above US$ 5000/month save twice as much as those earning a maximum of US$1000 per month. This would mean that if more people are allowed to work using qualifications gained in Zimbabwe, they would at least double the amount they can save for investment back home.
Table 4.2: Investment savings according to income level

<table>
<thead>
<tr>
<th>Average Monthly income (US$)</th>
<th>Propotion of respondents (%)</th>
<th>Average funds saved for investment per month (US$)</th>
<th>Average proportion of money saved to monthly income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1000</td>
<td>6</td>
<td>50</td>
<td>%%</td>
</tr>
<tr>
<td>1001 - 2000</td>
<td>12</td>
<td>120</td>
<td>6%</td>
</tr>
<tr>
<td>2001 - 3000</td>
<td>20</td>
<td>220</td>
<td>7%</td>
</tr>
<tr>
<td>3001 - 4000</td>
<td>25</td>
<td>300</td>
<td>8%</td>
</tr>
<tr>
<td>4001 - 5000</td>
<td>12</td>
<td>400</td>
<td>*%</td>
</tr>
<tr>
<td>more than 5000</td>
<td>10</td>
<td>600</td>
<td>10%</td>
</tr>
<tr>
<td>Missing</td>
<td>15</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Study results, 2011

4.1.2.2 Limited finance

Over 70% of the study respondents gave the lack of finance as a major constraint to their ability to invest and trade in Zimbabwe. Some members of the Diaspora have more urgent financial commitments in their host countries than investing home and among these are rent, transport, food, clothing, insurance etc. These costs can be substantial, especially considering that some members have dependents (spouses, children, siblings) Figure 4.1.

Figure 4.1: Family members staying with the study respondent

Source: Study results, 2011
4.1.3 Dependants

A lot of dependants (children, spouses, parents and other relatives) migrated to join their family members in the Diaspora. Nothing substantial is therefore expected from them in terms of investment back home in the short term since they do not have any sources of income.

The majority of the study respondents (51%) in this group actually stated that they intend to stay permanently in the host countries. They can therefore be a key source of investment and trade in the long term, especially if they are able to maintain cultural ties with their home country.

4.2 Common challenges

4.2.1 Lack of information

Current information is crucial for decision-making of any kind. This also applies to the Zimbabwean Diaspora, who would want to know on the country’s economic performance and the sectors doing well to make investment decisions. The Diaspora are therefore concerned about the poor access to investment and trade-related information. They rely mostly on the international media, which in most cases portrays Zimbabwe negatively and as a result, are afraid of returning home or even invest there.

Although alternative sources of information like the internet are available, there are few websites offering specific investment and trade-related information.

The Zimbabwe Investment Authority (ZIA), Zimbabwe National Chamber of Commerce (ZNCC) and Confederation of Zimbabwe Industries (CZI) are some of the institutions that are supposed to provide such information but this according to the study respondents is not the case. Providing technical capacity to these institutions would certainly improve their ability to provide well-analysed investment and trade-related information on the internet and in other media.

It was also noted that a considerable number of the Zimbabwean Diaspora, especially refugees and asylum seekers, have poor access to the internet and are mostly barely computer literate. Providing free internet services in their residential areas or meeting places would encourage them to use the facilities often, and thus improve their participation in investment, trade, socio-economic and political processes in Zimbabwe.

The Zimbabwean embassy is an alternative source of information but not everyone is in a position to visit it. Some respondents live far away and for some, it represents an oppressive government with which they cannot freely associate with. In any case most of the embassies do not have Economic or Trade Attaches and therefore no detailed information. The embassy should consider creating an information link (e.g. a web-based network) between itself, institutions in Zimbabwe and those in the Diaspora. This would ensure that the people further away from the embassies are not marginalised in terms of access to information.

The majority of the respondents suggested that civil society organizations take an active role in providing the information. They can for example open offices in countries where Zimbabweans are concentrated e.g. South Africa and the UK. However, this may not be possible considering that most of them rely on donor funding, whose major condition is that such
money should be spent in Zimbabwe. It is, however, advisable that they, through NANGO closely share information with the Zimbabweans in the Diaspora. Related civil society organizations in the Diaspora can act as contact points. Economic and trade-related organizations like the Zimbabwe National Chamber of Commerce (ZNCC) and Confederation of Zimbabwe Industries (CZI) should also create close links with organizations in the Diaspora and provide weekly updates of economic developments in the country.

4.2.2 Limited infrastructure

Infrastructure - related challenges in Zimbabwe, especially the erratic electricity and water supply and high utility bills were given as factors that deter people from investing in Zimbabwe (50 %).

Some respondents said they used to have businesses in Zimbabwe but these were closed as a result of these challenges before they emigrated. The government clean-up process “Murambatsvina” also contributed to the shutting down of businesses. Improving the infrastructure would certainly encourage Diaspora-led investment. This should be complemented by the respect of property rights, even for those in the informal sector. Instead of demolishing “illegal structures”, local government should provide more land premises for Small and Medium Enterprises (SMEs) and the informal sector.

4.2.3 Limited institutions that deal with Diaspora Investment and Trade

Respondents expressed concern at the lack of institutions (investment vehicles) specifically dedicated to facilitate Diaspora investment and trade. As a result, some entrust relatives and friends to manage their investments but at the risk of being defrauded. Financial institutions and commercial banks generally offer such services but need to be more focused.

This is an area where business opportunities exist for local institutions and assurances are needed to ensure that people do not fall prey to fraudulent institutions. Government may help by legislating measures to protect people from such institutions. Homelink, an RBZ - owned company tried in the recent past to manage and monitor Diaspora investments by acquiring land and constructing houses and business premises. Unfortunately many did not have confidence in it, especially given the history of expropriating funds without their consent.

4.2.4 Age (Individuals and the Diaspora as a community)

One’s age generally impacts on how much a person can save and invest. Younger people (less than 35 years in this study) are generally expected to earn less than their older counterparts because they do not have much experience. They need time to climb up the promotion ladder to improve their salaries and influence. The setting up of own enterprises takes time and older people usually get more opportunities than the younger ones.

The Zimbabwean Diaspora is generally young as shown in figure 4.2. The majority of them are in the 30 – 39 age group (45 %), followed by the 20 – 29 age group (20 %) and then the 40 – 49 age group (14 %). At such young ages, they are expected to hold junior positions at work, which are relatively low-paying leaving very little to save for investment. Only 10 % of the respondents are above the age of 49 but even these still hold junior positions than they would have held back home because they are foreigners.
Figure 4.2: Age groups of the study respondents

The Zimbabwean Diaspora is also young in terms of the period spent in the host countries. Figure 4.3 shows that the majority emigrated during the past ten years. 41% of them emigrating to the UK and 15% to South Africa. Emigration to the UK dropped significantly after 2004 with only about 10% going there.

Immigrants need time to settle down and establish themselves as a community. The experiences in countries like the Philippines, China, India, and Egypt show that the process can take up to 20 years or more. The Diaspora community is essential for providing mutual support, solidarity and to share ideas. It also enhances members’ self-esteem through the promotion of their culture and identity enhancement. Strong communities are also important reminders to the children of their origins, which would encourage them to invest in their home countries later in their lives. It is usually, children and grandchildren of immigrants who will invest in their home countries. However they can only do so if they feel strongly attached to the home countries; hence the need for stronger Diaspora communities.

Source: Study results, 2011
4.2.5 Challenges related to the situation in Zimbabwe

According to the IOM (2005) report, the majority of Zimbabweans in the Diaspora are willing to contribute towards the development of their country of origin. The IOM survey revealed that nearly three-quarters (73%) of Zimbabweans in the Diaspora would be willing to participate in a skills transfer programme in order to contribute to the development of Zimbabwe.

Table 4.3 shows some of the major reasons given by the Diaspora on why they are reluctant to invest in Zimbabwe. Key among them, are the political uncertainty and mistrust of government. 76% of the respondents stated that the political uncertainty in Zimbabwe deters them from investing there. Other factors impeding investment include financial constraints (70%), lack of investment information (59%) and lack of investment incentives (40%).
Table 4.3: Factors affecting participation in socio-economic development, investment and trade

<table>
<thead>
<tr>
<th>Nature of challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political uncertainty</td>
<td>76%</td>
</tr>
<tr>
<td>Mistrust of government</td>
<td>73%</td>
</tr>
<tr>
<td>Financial constraints</td>
<td>70%</td>
</tr>
<tr>
<td>Lack of information on investment opportunities</td>
<td>58%</td>
</tr>
<tr>
<td>Zimbabwe is not an attractive investment destination</td>
<td>50%</td>
</tr>
<tr>
<td>Unfavourable investment regulations</td>
<td>49%</td>
</tr>
<tr>
<td>Infrastructure related challenges</td>
<td>49%</td>
</tr>
<tr>
<td>Lack of incentives e.g Tax incentives</td>
<td>40%</td>
</tr>
<tr>
<td>Depressed Consumer buying power</td>
<td>36%</td>
</tr>
</tbody>
</table>

Source: Study results, 2011

4.2.5.1 Political uncertainty

Every investor in the world considers the political situation in a country before investing and Zimbabweans in the Diaspora are not an exception. They would want political stability in Zimbabwe where all people are free to express their political opinions without fear and where credible, free and fair elections would have been held. This has not been the case in the past ten years with a considerable number of the respondents saying that they went into exile to escape political prosecution. The majority of them (76%) feel that the political situation in Zimbabwe is uncertain.

The formation of the Government of National Unity (GNU) in 2008 initially created optimism that the political situation would stabilize and in response to this, some sent private capital home in anticipation of an improved economic situation.

However, the initial hope evaporated as the GNU has proved to be shaky. The level of political polarization is still high as evidenced by the ever-recurring political squabbles and impasses among the different parties.

Although the economy has stabilised, the Diaspora still feels that this is not sufficient to convince them to increase their investments.

A few respondents expressed fear for their safety should they decide to return to Zimbabwe. Such fears, according to them can be allayed by the holding of free and fair elections whose results will not be contested by the major political parties.

4.2.5.2 Mistrust of government

Strongly linked to political uncertainty is the issue of mistrust of the Government. 75% of the respondents do not trust the government and are afraid it may seize their funds as what it did when the RBZ took money from NGOs and private company accounts without their consent. Concern was also expressed over the lack of policy consistency, especially as regards the land reform, indigenization and economic empowerment programmes. They feel that
although such policies are generally good for the country, they are however politicized to a level where they benefit only a few people at the expense of the majority.

4.2.5.3 Lack of investment incentives

About 40% of the respondents felt that they should be given more incentives to invest in Zimbabwe. These should include duty-free importation of capital goods and tax holidays for periods of up to five years. They argued that if foreign investors can get such benefits, then they should get them too.

However, Diaspora-led investment incentives are contentious and Government is reluctant to provide them since it feels that doing so would be tantamount to discriminating against the rest of the Zimbabweans.

It is recommended that Government considers providing incentives, especially in cases where huge and labour-intensive investment is made or in areas where technological transfers are needed most.

5 Previous initiatives to harness the Diaspora potential

Government has in the past come up with some initiatives to harness the Diaspora investment potential. These include the Homelink initiative, the introduction of Money Transfer Agencies and the creation of a Migration and Development Unit (MDU).

5.1 The Homelink Initiative

In 2004, the Reserve Bank of Zimbabwe (RBZ) sent a team to the USA, UK and South Africa to engage the Diaspora into participating in socio-economic activities back home. The bank then launched the Homelink (Pvt) Ltd. Company in February 2005. The company was specifically dedicated to Zimbabweans in the Diaspora by providing their money transfer and investment needs. Its plans were to continue dialogue with Zimbabweans living and working abroad in order to improve, where necessary the products and services it offers and to design others that appeal to them.

The Homelink (Pvt) Ltd project did manage to raise foreign currency for the government during the hyper-inflationary period as some Zimbabweans in the Diaspora participated in the project through which the bank acquired residential/industrial stands in cities in Zimbabwe to build houses and factories. Initially, the initiative worked very well when recipients were allowed to withdraw their money in foreign currency. However, the policy changed to local currency and the scheme could no longer attract funds as the parallel market rates were more attractive than the official exchange. In addition, the unstable macro-economic environment, and general lack of confidence in the RBZ adversely affected the initiative as most clients abroad complained that the houses built in their absence were generally sub-standard.

5.2 Money Transfer Agencies

In 2004 the RBZ authorized the establishment of Money Transfer Agencies to allow people in the Diaspora to send money home. However, these were later suspended and then reinstated in 2008. The rules were further relaxed in November 2010 and allowed the agencies
housed in commercial banks to send funds out of the country as part of the new measures of liberalizing the exchange controls and improving confidence in the banking sector. Previously the MTAs were only allowed to act as intermediaries in remittances from Zimbabweans living in the Diaspora and forbidden from facilitating transfers from local residents wishing to send money outside the country.

However, most people prefer sending money through informal channels over banks or through formal money transfer operators like the Western Union and MoneyGram. The success of most MTAs has, thus, been limited because the majority of the players lack the capacity to make national money transfers as a result of the thin branch network structures.

5.3 Migration and Development Unit (MDU)

The Migration and Development Unit (MDU) in the Ministry of Economic Planning and Investment Promotion was established by Government in April 2008 in order to improve the co-ordination of migration and Diaspora activities.

The Unit works closely with the International Organization on Migration (IOM) which has also provided the office, equipment, stationery and a vehicle as part of its capacity building.

It spearheads the national migration and development agenda on a daily basis and has developed a migration profile template which was presented to the stakeholders at a workshop held in August 2009. The ministry responsible has also formulated a Migration Management and Diaspora Policy, with technical assistance from IOM.

LEDRIZ (2010) observed that the greatest challenge the Unit is facing is that of resources, which have adversely affected its effectiveness. In addition, being a small Unit within a Ministry, means that it is subjected to the usual bureaucratic inertia and its location is such that it cannot exercise influence over other line Ministries. In this regard, the parallel activities of other Ministries with some jurisdiction over issues on migration remain a challenge. Its capacity therefore remains weak, as it is clearly overwhelmed by the task at hand.

5.4 Other government initiatives

There are also a number of government ministries and coordination mechanisms dealing with migration and Diaspora issues. The ministries involved include the Ministry of Labour and Social Services, Ministry Foreign Affairs, Ministry of Education, Sport, Arts and Culture, Ministry of Regional Integration and International Cooperation, Ministry of Higher and Tertiary Education and the Ministry of Youth Development, Indigenization and Empowerment.

The government has commissioned migration surveys whose results are expected to assist in policy formulation and national strategic planning.

The Government has also had direct engagements with some organizations coordinating activities of the people in the Diaspora. It has facilitated and sequenced the short-term return programme for medical professionals and the Professionals Return programme.

According to LEDRIZ (2010), the approaches and responses towards labour migration and the Diaspora in Zimbabwe have been weak as shown by the un-coordinated approaches by the various ministries. This means that there is need for a well-coordinated approach on this issue. Another challenge relates to the lack of capacity building of the institutions dealing with
labor migration and Diaspora issues.

5.5 Private initiatives

5.5.1 International Organisation for Migration (IOM)

The IOM has been working with Government and other interested partners on a number of initiatives regarding migration and development. The IOM in 2008 summarized its involvement as “…..strengthening the capacity of the Government of Zimbabwe to effectively manage migration for national development and to implement specific interventions that promote the involvement of migrant populations in development processes in Zimbabwe, and facilitating the return and reintegration of qualified nationals in the Diaspora”.

Some of its interventions on migration and development issues in Zimbabwe during the last decade include the following:

(i) Development of the Migration Management and Diaspora Policy Formulation (currently under review by the Cabinet)

(ii) Establishment of a Migration and Development Unit (MDU) in the Ministry of Economic Planning and Investment Promotion for the purpose of spearheading the national migration and development agenda for Zimbabwe

(iii) Working with government in facilitating the sequenced return of 71 skilled medical and medical training professionals in the UK, US, South Africa etc. as well as capacity building of medical training institutions

(iv) Setting up a Human Capital Website, which provides information on jobs and investment opportunities in Zimbabwe

(v) Re-integration of Returned Migrants. Over 600 households have benefited from a revolving livestock scheme aimed at reducing irregular migrations due to the lack of livelihood opportunities and facilitating the reintegration of returned migrants.

The IOM has also commissioned a number of studies and surveys, one of which was undertaken in 2004 leading to the release of the IOM Migration Research Series No. 17, “The Development Potential of Zimbabweans in the Diaspora - A Survey of Zimbabweans Living in the UK and South Africa” report in 2005, which resulted from the profiling of Zimbabweans in the United Kingdom and South Africa in terms of skills base, transnational links and interest in contributing to development.

Over the years, the IOM has also supported and co-hosted a series of workshops on migration and development in which senior government officials have participated both at the local, regional and international levels. This has enhanced their understanding and appreciation of migration and development issues.

5.5.2 The Diaspora Bond

In 2011 the Commercial Bank of Zimbabwe (CBZ) initiated the floating of a US$50 million Diaspora Bond. The medium term funding from the offered bond was set to enable the CBZ Bank to provide its customers with longer term funding. The proceeds of the Diaspora Bond
would be used to fund infrastructure projects in Electricity (US$25.4 million), Coal (US$15.1 million), Manufacturing (US$7.0 million), Ferro Alloys mining and Processing (US$2.5 million). In South Africa, the bond was expected to attract an annual interest rate of between 7.5% and 8%.

Zimbabwe stands to benefit from instituting policies that encourage the transmission of remittances through formal means. Concomitant with measures that encourage and facilitate the transmission of remittances through formal channels, there should be policies that seek to increase the flow of remittances from the Diaspora. Such measures would ensure that the development potential of remittances is maximized for national development. The funds could also be converted into Treasury Bills that would mature when the migrant worker returns to Zimbabwe.

6. Conclusions and recommendations

The Zimbabwean Diaspora is still young and in the process of establishing itself in the host countries. Therefore one cannot expect significant investment and trade benefits in the short-term but in the long-term (10 to 15 years to come) as shown by the experiences in other countries.

The Zimbabwean Diaspora is heterogeneous, having large groups of refugees, asylum seekers, failed asylum seekers and illegal immigrants. These people face several challenges which hinder them from investing in Zimbabwe or to carry out any significant trade activities. The major one is that of not being allowed to work or create own businesses in their host countries. Host countries should consider reviewing their immigration laws and regulations with the view of creating more employment and income opportunities for all the migrants, especially those granted refugee status.

A small group of the Diaspora, mainly consisting of resident and work permit holders has already made significant investments in Zimbabwe. This would certainly get better if the economic and political situation in Zimbabwe improves.

The provision of investment and trade-related information among the Diaspora, provision of incentives and the encouragement of people to freely participate in the political processes at home would further stimulate the investment.

6.1 Stabilise the political environment

This is the most significant requirement for investment and trade. A harmonious working relationship is required in the Government of National Unity (GNU). There should be free and fair elections without any violence. The process of organising free and fair elections facilitated by SADC should continue and should culminate in the establishment of a widely-accepted, democratic government. This would allow the Diaspora to feel more secure, and keen to participate without any fear of victimisation.

In addition, the Government and other developmental organisations should put in place a platform for people in the Diaspora to be involved in national political debates, as well as national economic planning strategic policy formulation e.g. in the formulation of the 5-year Government Medium Term Plan (MTP). This would enhance the Diaspora’s participation in the socio-economic and political processes of their home country.
6.2 Stabilise the economic situation

A stable economic situation is a pre-requisite for investment. The macroeconomic environment needs to improve first before people in the Diaspora can feel confident to invest in Zimbabwe.

Efforts should also be made to improve infrastructure like energy, roads, telecommunication, and water supplies etc. which are currently expensive to run. Inflation needs to remain at low levels. There is urgent need to create more employment and raise salary levels so as to create the necessary consumer demand.

6.3 Improve the participation of the Diaspora in the domestic political and socio-economic processes

The Diaspora should not only be expected to invest in Zimbabwe but should also be allowed to freely participate in the political processes in the country. Granting them dual citizenship and voters’ rights would help address some of their major concerns at present. Experiences in other countries (Brazil, the Philippines, Mexico, Peru, Jamaica, Egypt, Nigeria, Ghana, Burundi, India and Senegal) have shown that allowing dual citizenship improves the level of participation of the Diaspora in investment. Opinions from the Diaspora should always be sought whenever issues of importance are debated in Parliament. To enable the full and free participation of the Diaspora in politics, the necessary infrastructure should be put in place. This includes developing an interactive Parliament website where the Diaspora can freely express its views and giving capacities to Zimbabwean embassies in the Diaspora so that they can handle the Diaspora’s votes.

This study acknowledges efforts being made to formalise the participation of the Diaspora in the political processes in Zimbabwe by the various government departments, including the Office of the Prime Minister, Ministry of Economic Planning and Investment Promotion, other Ministries and the Homelink programme.

The streamlining of these institutions to work under one roof would avoid duplication of work and improve efficiency. The Migration and Development Unit in the Ministry of Economic Planning and Investment Promotion can be the focal point. It needs to work closely and build synergies with the private sector, especially financial institutions with the view of establishing a credible investment channel. This may imply reforming the Home-link programme or establishing a new investment mechanism altogether.

6.4 Provide investment and trade related information updates

Information is essential for any potential investor, including Zimbabweans in the Diaspora. Whilst the usual information channels like the print and electronic media are important, there is need to develop alternative information sources that focus specifically on Zimbabwe. The formation of strong Diaspora community associations would help improve the efficiency of information flows. This study notes that several Diaspora associations already exist although they are mostly fragmented. There is need to improve coordination among them. They also need to establish and maintain close links with home-based institutions like the NANGO, Zimbabwe National Chamber of Commerce (ZNCC), Confederation of Zimbabwe Industries (CZI), Zimbabwe Stock (ZSE), Zimbabwe Investment Authority (ZIA) and private firms with the view of getting the latest economic, investment and trade updates.
6.5 Improve the investment environment

A major consideration for the Zimbabwean Diaspora investors is the need to have a conducive investment climate, free of political interference. Such an environment would help shift the profile of Diaspora investments from short-term speculative investments to medium and long-term.

Clear cut and unambiguous investment regulations are a pre-requisite. The rule of law, human rights and property rights need to be respected. Encouraging more competition among the financial institutions and money transfer agencies would help lower the costs of sending money to Zimbabwe. This would encourage more people in the Diaspora to use official channels when remitting money to their families back home. Developing a legal and institutional framework that protects and manages the Diaspora’s investments would help build confidence among the Diaspora members that their funds would not be forcibly taken from them. The framework should facilitate other institutions besides financial houses (e.g. legal firms and SMEs) to participate in the management of the Diaspora’s investments.

6.6 Enter into partnerships with multilateral institutions

Partnerships with multilateral institutions like the Multilateral Investment Guarantee Agency (MIGA), the Commonwealth Development Fund (CDF), World Bank, IMF and the International Finance Corporation (IFC) are important since they offer guarantees to investors. This minimises the risk of investing in Zimbabwe and therefore encourages the Diaspora to increase its investment in the country.

Philanthropist initiatives such as those by Tony Blair, Richard Branson, Bill Clinton, and the Bill Gates Foundation should also be encouraged since they tend to attract private capital.

6.7 Provide fair employment and income opportunities

The host governments can help Diaspora-led investment in Zimbabwe by providing fair employment opportunities for the Zimbabweans living there. No sectors should be more difficult to find employment than others. The host countries should also consider recognizing Zimbabwean academic and professional qualifications as well as grant work permits to all legal migrants in that country. This would provide more Zimbabweans with the work experience needed in the country.
References


ILO (2010). Making Migration a Development Factor: The Case of North and West Africa


Reserve Bank of Zimbabwe (2008b), Mid Term Monetary Review, 2011. Presentation by RBZ Governor, G. Gono.


## Annexes

### Annex 1: Satisfaction/Dissatisfaction with the Quality of life in Zimbabwe

**Satisfaction with the Quality of Life in Zimbabwe**

<table>
<thead>
<tr>
<th>Dissatisfied / Ver Dissatisfied</th>
<th>Skilled (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Circumstances Cost of living</td>
<td>89</td>
</tr>
<tr>
<td>Cost of living</td>
<td>89</td>
</tr>
<tr>
<td>Level of taxation</td>
<td>83</td>
</tr>
<tr>
<td>Availability of quality affordable products</td>
<td>75</td>
</tr>
<tr>
<td>Level of income</td>
<td>72</td>
</tr>
<tr>
<td>Share of taxes compared to others</td>
<td>64</td>
</tr>
<tr>
<td>Job</td>
<td>46</td>
</tr>
<tr>
<td>Prospects for professional advancement</td>
<td>46</td>
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<tr>
<td>Job security</td>
<td>45</td>
</tr>
<tr>
<td>Socila Circumstances Upkeep of public amenities</td>
<td>74</td>
</tr>
<tr>
<td>Upkeep of public amenities</td>
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<tr>
<td>Childrens future in country</td>
<td>71</td>
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<tr>
<td>Ability to find a suitable house</td>
<td>69</td>
</tr>
<tr>
<td>Ability to find adequate medical services</td>
<td>61</td>
</tr>
<tr>
<td>Ability to find a good school for children</td>
<td>57</td>
</tr>
<tr>
<td>Family Safety</td>
<td>56</td>
</tr>
<tr>
<td>Personal Safety</td>
<td>56</td>
</tr>
<tr>
<td>Customer service</td>
<td>53</td>
</tr>
</tbody>
</table>

*Source: SMP, 2001 and 2005*
Annex 2: Questionnaire

(Study by NANGO, IDS-UZ and Progressio)

Age: ..............................

Sex: ..............................

Marital status (M=Married, S=Single, D=Divorced, Sp=Separated) ..............................

Host country: ..............................................................................................................

Resident status: .............................................................................................................

Academic qualification (P=Primary O=Ordinary Level A=Advanced Level C=College Certificate or diploma U=University degree P=Post graduate degree Oth=Other, specify)
  ........................................................................................................................................

Professional qualification ..............................................................................................

1. Who do you stay with? (S=Spouse Ch=Children M=Mother F=Father S=Sister(s) B=Brother(s) N=None Oth=others, specify)
  .................................................................................................................................

2. When did you leave Zimbabwe? .................................................................

3. In which sector did you work before you left Zimbabwe?
  (E=Education H=Health G=Government P=Private Sector Ng=NGO S=self employed U=unemployed Oth=Other specify)
  ........................................................................................................................................

4. What kind of work did you do before leaving Zimbabwe?
  ........................................................................................................................................

5. At what level were you working? (G=General labourer L/M=Low to middle Management HM=High management P=professional Oth=Other, specify)
  ........................................................................................................................................
6. In which sector are you working now?
(E=Education  H=Health  G=Government  P=Private Sector  Ng=NGO  S=self employed  U=unemployed  Oth=Other specify)

7. At what level are you working? (G=General labourer  L/M=Low to middle Management  HM=High management  P=professional  Oth=Other, specify)

8. What is your average monthly income?

9. How much money do you send home per year?

10. How is the money used?

11. How do you send the money? (A=commercial bank  B=Home link  C=through friends  D=others, specify)

12. Since you left Zimbabwe, have you ever invested in that country?  
12.1 If yes, which sector?  
12.2 How much did you invest?

13. Do you intend to invest in Zimbabwe in the next five to ten years?
13.1 If yes, which sector?  
13.2 How much do you intend to invest?

14. Have you ever imported a commodity from Zimbabwe for resale in your host county?
14.1 If yes, what did you import?  
14.2 What value?
14.3 Were you able to make a profit? ..............................................

14.4 What problems did you encounter when importing and selling the product?

..........................................................................................................................................................

15 If given the opportunity, what commodities would import from Zimbabwe for resale in your host country?

..........................................................................................................................................................

16 Have you ever exported a commodity from your host country for resale in Zimbabwe?

........................................

16.1 If yes, what did you export? ..............................................................

16.2 What value? ..............................................................

16.3 Were you able to make a profit? ..............................................

17. What problems did you encounter when exporting the product?

..........................................................................................................................................................

18. If given the opportunity, what commodities would you export to Zimbabwe from your host country for resale in Zimbabwe?

..........................................................................................................................................................

19. What kind of challenges are faced by those in the Diaspora who want to invest back home? (Range 1 to 5) with one 1 indicating Very high challenge and 5 indicating Very low challenge. Tick or cross where appropriate.

<table>
<thead>
<tr>
<th>Nature of challenge</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial constraints</td>
<td></td>
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<td></td>
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<tr>
<td>Political uncertainty</td>
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<tr>
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<tr>
<td>Lack of incentives e.g. Tax incentives,</td>
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<tr>
<td>Infrastructure related challenges</td>
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<tr>
<td>Depressed Consumer buying power</td>
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<tr>
<td>Unfavourable Investment regulations</td>
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<tr>
<td>Mistrust of Government</td>
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<tr>
<td>Zimbabwe is not an attractive investment destination</td>
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<tr>
<td>Other (Please Specify)</td>
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</table>
20. What recommendations do you have in order to improve the chances of more people in the Diaspora investing back home?

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21. What can be done in order to allow people in the Diaspora to contribute towards the economic, social and political programmes back home

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22. Do you intend to go back home?  

23.1 If yes when?  

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