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Measuring Remittances  
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**Collection of Data on Remittances: Experience from the  
Ghana Living Standards Survey  
By Grace Bediako  
Ghana Statistical Service**

## **Summary**

The standard questionnaires and modules that have been used for the Ghana Living Standards Survey (GLSS), currently in its fifth round, do not set out to collect information on remittances from abroad. These data may however be derived through sets of questions on migration and income transfers that are included in the main questionnaires of the survey. The Migration section of the GLSS-5 questionnaire (Section 5A) has a set of 10 questions that focus primarily on current members of the household who have previously lived in another town or village (or abroad). The section on income transfers (Section 11) is brief, relative to other sections of the questionnaire, and has two parts; one covering transfer payments made by the sampled households, and the other on transfer payments received by these households. During the fielding of the GLSS-5 the World Bank presented an opportunity to expand the component on remittances, which was accomplished through the introduction of a new module.

The proposal to add another module to the GLSS came at an advance stage of the survey implementation and therefore no special sampling procedures could be considered to address issues and concerns that might have been relevant to the collection of remittances data. An example of important questions to be addressed, possibly in the analysis of the data, and in subsequent surveys, is whether the flow of remittances into the country is skewed in any particular direction. The GLSS-5 data are currently being analyzed and it would be useful to assess the variations in the distribution of remittances across regions, as well as relative to the characteristics of households and their heads.

### **1. The Ghana Living Standards Survey**

The Ghana Living Standards Surveys (GLSS) is one of the tools for generating a wide range of indicators and statistics for monitoring poverty reduction intervention strategies in Ghana. Now in its fifth round, the Survey has been conducted at an average interval of five to seven years, with the exception of the first two surveys, which were conducted one year apart.<sup>1</sup> These surveys have produced sets of data and indicators at the national and regional levels, and classified by

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<sup>1</sup> The GLSS rounds correspond to the following years: 1987/88, 1988/89, 1991/92, 1998/99, and 2005/06.

urban/rural localities of residence, which have been used to assess household welfare, and to evaluate the effect of various government policies on the living conditions of the population.

## **1.1 Objectives of the Survey**

As a nationally representative household sample survey, the principal objectives of the GLSS-5 were:

- (a) To provide data for:
  - Estimating levels and patterns of households' consumption and expenditure;
  - Deriving basic indicators for monitoring the GPRS, the second phase of which has recently being launched;
  - Calculating poverty predictors as input into the mapping of poverty at the district level.
- (b) To serve as a basis for revising the weights for compiling the consumer price index (CPI) and input for the compilation of the national accounts.
- (c) To update the database for national and regional planning.

## **1.2 Content of the Survey**

The GLSS-5 used four key survey instruments for the data collection. These are the Household Questionnaire, the Non-farm Household Enterprise Questionnaire, Rural Community Questionnaire; and Prices of Food and Non-food Items Questionnaire.

The Household Questionnaire generally covers the following key areas:

- Demographic Characteristics
- Education and Skills Training
- Health and Fertility Behaviour
- Employment and Time Use
- Migration and Tourism
- Housing and Housing Conditions
- Agriculture
- Household Income, Consumption and Expenditure
- Credit, assets and savings

Each GLSS programme focuses on a special topic which is covered in a module. The GLSS-5 had a module on Non-farm Household Enterprises, the purpose of which was to collect information on income from production activities organized directly by households from their non-farm household enterprises. Another module was added to the GLSS-5, when at an early stage of the survey the World Bank requested the assistance of the Ghana Statistical Service to collect data on remittances. The Migrant and Remittances Module was incorporated into the survey to study:

- The characteristics of migrants
- The type and value of remittances migrants send home
- The uses put to these remittances by receiving households.

### 1.3 Organization of the Survey

A total of 9,900 households in 660 enumeration areas (EAs) nationwide<sup>2</sup> were covered over a 12-months period, from 4 September 2005 to 3 September, 2006. The fieldwork lasted for 363 days, made up of 11 cycles. Each cycle consisted of 33 days with interviewers visiting each household at 3 days interval for both urban and rural households, resulting in 11 visits to each household within a cycle.

Twenty-four teams were involved in the data collection, 20 of which worked during each cycle. The extra four teams relieved the 20 regular teams during cycles when the teams were break.<sup>3</sup>

### 1.4 Sampling design

The object of the sample design for the GLSS-5 was to cater for a variety of analyses for the various domains of interest, which were:

- (1) Ghana as a whole
- (2) Each of the ten Administrative regions, with a minimum sample size of 400 households
- (3) Urban and Rural localities of Residence (each as a separate domain), and other categorizations including, the three ecological zones, as well as Accra (GAMA)<sup>4</sup>, namely:
  - Coastal (urban and rural)
  - Forest (urban and rural)
  - Northern (urban and rural)
  - Accra (GAMA)

The number and allocation of sample EAs was based on an expected sample of at least 8000 households nationwide. At the first stage, a total sample of 550 EAs was selected with probabilities proportional to size (2000 Population Census count). However, to achieve reliable estimates, the number of EAs in Upper East and the Upper West were adjusted from 27 to 40 and from 17 to 34, respectively, bringing the total number of EAs to 580 and the number of households to 8,700.

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<sup>2</sup> Includes a sample of 1,200 fishing households from 80 EAs, that a Ministry of Fisheries survey on living conditions households in the fishing communities.

<sup>3</sup> The leave arrangement was introduced to reduce dropout of fieldworkers from fatigue. The relieving schedule was worked out such that no team worked for more than five consecutive months.

<sup>4</sup> GAMA is defined as Greater Accra Metropolitan Area which includes: Accra Metropolitan Area, Tema Municipal Area, as well as the urban areas in Ga East and Ga West districts. This is a departure from the previous study where Accra had been defined as AMA along with some bordering neighbourhoods but excluding Tema.

## **2. Measuring remittances in household surveys in Ghana**

There has been little or no attention given to the study of migration and related statistics in the GLSS and other surveys. However, only the GLSS instruments have questions from which information on remittances can be derived. Remittances data are collected in the GLSS in two ways. The first and usual approach is from the standard questionnaires through the sections on migration and income transfers. The second approach, which was only introduced in the latest round – GLSS-5, is in the form of a module on Migration and Remittances.

### **2.1 Remittances in the standard GLSS questionnaire**

With the primary objectives of the GLSS being to measure living standards, income and consumption and to monitor poverty patterns, the questions in the GLSS related to remittances cover very limited scope. They deal with transfers of income to and from the sample households, and do not have questions that delve into the various forms in which remittances are received or sent. The questions concern all sources of remittances, both within and outside the country; but the impact on households from such remittances is also not assessed.

Section 11 of the GLSS main questionnaire is on “Income Transfers and Miscellaneous Income and Expenditure”, and there are two parts to the section (Annex 1). Part 11A deals with transfer payments made by the responding household, and part 11B, transfer payments received by the household. There is equal emphasis given to the transfers out and into the household, each having the same set of questions.

On the receiving side, that is transfer payments received by household, there are several types of information that the GLSS collects:

- (1) If the household has received any money or goods (during the past 12 months) from
  - (a) an absent household member, or
  - (b) any other individual.
- (2) Characteristics (sex and relationship to head) of the sending person
- (3) Frequency of the remittance
- (4) Nature of the remittance (gift or loan)
- (5) Total amount received during the past 12 months.
- (6) Means by which transfer was made (received)
- (7) Three main uses of the cash received
- (8) Total estimated value of transfers received in the form of
  - (a) food
  - (b) other goods
- (9) Place of residence of the sending person.

**Example of table on Total Remittances, in million of current dollars, GLSS-based estimates**

	Domestic	From Abroad		Total
		Africa	Non Africa	
1991/92				
In cash	66.4	6.0	31.6	104.1
In food	18.5	0.4	1.0	19.8
In non-food	15.3	2.0	7.8	25.1
Total	100.2	8.5	40.3	149.0
1998/99				
In cash	141.9	7.8	108.5	258.2
In food	36.9	0.8	1.4	39.1
In non-food	32.8	3.6	21.0	57.4
Total	211.7	12.1	130.9	354.8
2005/06*				
In cash	184.0	11.3	221.2	416.5
In food	28.0	0.8	1.5	30.4
In non-food	59.1	1.6	34.5	95.2
Total	271.1	13.7	257.2	542.0

*Source:* Compiled by Coloumbe and Quentin (2007) based on data from the Ghana Living Standards Survey (rounds 3, 4 and 5); in “Poverty, Livelihoods, and Access to Basic Services in Ghana: An Overview”, by Harold Coulombe and Quentin Wodon, presented at the Ghana Country Economic Memorandum: Meeting the Challenge of Accelerated and Shared Growth.

*Note:* \* These data (for 2005/06) have not been officially released by the Ghana Statistical Service.

## **2.2 Measuring remittances in an additional module**

Building on the limited set of questions on remittances to the households, that the main GLSS questionnaire covered, the module on Migrants and Remittances (Annex 2), introduced a substantially increased set of questions, in two main parts. Part A is on household members who have returned in the last five years from having lived outside of the household. Part B is on household members (former) currently living elsewhere.

The information sought about household members who previously lived elsewhere, relates to characteristics in three states -- before they left the household, while they lived outside the household, and as they have returned to the household. A total of 12 questions, cover:

- (a) activity (study and work), where (within or outside the country) and duration of stay elsewhere in the last five years;
- (b) level of education, where education was received before the individual left to stay elsewhere, and whether the household financed the migration;
- (c) while living outside the household, occupation, level of remittance and remittance method used.

The module deals more extensively with the members (current/former) of the household who are living elsewhere. In addition to questions asked of the “return migrants”, this part of the schedule collects information about:

- (a) the characteristics (current age, sex, marital status, relationship to head of the household, activity status and occupation)
- (b) extensive information on remittances – which household member receives remittances, how it is sent, frequency over one year, value of goods and list of goods received;
- (c) details of how remittances have been used by the household, including: opening a bank account, setting up business or opening a store, improving on or building a dwelling.

### **3. Inclusion of Migrants and Remittance Questionnaires**

Special arrangements had to be made to include a new module in the GLSS-5 programme. Typically, there is one special module included in each round. For GLSS-5 the module was “Non-Farm Household Enterprises”. The idea of the second module on “Migrants and Remittances” began as a proposal to conduct a survey on migration and remittances. In the course of the main fieldwork for the GLSS, the World Bank held discussions with GSS about the possibility of fielding a survey on migrants and remittances, similar to one that had been conducted in Morocco. An initial review of the questionnaire however showed that a lot of the other characteristics that were to be collected to complement to the set of questions on migrants and remittances overlapped significantly with the GLSS-5 main questionnaire. Moreover, a large enough sample size was required to ensure sufficient representation of households from which migrants would be identified.

It was agreed that it would be ideal if the survey on migrants and remittances could be integrated with the GLSS. The survey was already in the field, having begun in September 2005. A sample size of about 4,000 households was thought to be desirable; that is, half of the total GLSS sample. In January 2006, when the survey was conceived of, GLSS was in its fourth cycle, almost half way through. Although there was more than half of the GLSS sample yet to be covered, and therefore enough to generate the required sample size for the Migrants and Remittances Survey, it was not certain that the remaining households could give an acceptable probability sample. It was therefore necessary to consider sub-sampling from the entire GLSS sample. Another alternative was to use the whole GLSS sample so that this could be a GLSS module rather than a separate survey.

The decision to extend the collection of migrants and remittances data to the whole GLSS sample implied some modifications of field operations. The questionnaire was reviewed and modified in consultation with the World Bank, and a three-day training workshop on this questionnaire was given to the supervisors, Zonal Coordinators and office staff. The migration and remittances module became a part of the survey starting with the 5<sup>th</sup> Cycle. The teams took two weeks of their breaks to complete the questions for households that were previously interviewed.

#### **4. Status of the GLSS survey**

The results of the survey are currently being analyzed. The first report on *Patterns and Trends of Poverty in Ghana 1991-2006* was launched in first half of 2007. The complete report is currently being prepared. In parallel, the data from the Migrants and Remittances module has been provided to the World Bank for analysis.

#### **5. Some issues for consideration**

##### **5.1 Sampling**

The issue of sampling design is critical to consider when dealing with the topic of migration. This is primarily because people from some regions or areas may have a higher propensity for migrating than others. Since there has been no systematic collection of data on migration in Ghana, it is not clear what the distribution of migrants is by place of origin and destination. This information would help improve the efficiency of the sample, should the flexibility exist in future surveys.

In the collection of remittances data through the GLSS survey, there was no possibility for considering sampling design and efficiency issues, given that the survey had set objectives and the sample had been designed to address these primary objectives. Moreover, the adoption of the module came at an advance stage of data collection.

For future data collection, it would be necessary to study the patterns and distribution of migration across regions to determine if particular areas have a higher concentration of migrants than others. It would also be necessary to establish the general belief that almost all households in Ghana have a relative somewhere who sends them remittances. It should however still be ascertained whether some areas are more or less likely to have domestic compared to foreign (Africa/non-Africa) sources of remittances.

##### **5.2 Conceptual issues**

The notion of household members living elsewhere may be inconsistent with the definition of usual members of the household, if they have been away for more than six months. Although, in principle people who have been absent from the household for more than six months are not to be considered household members, at the practical level many households continue to consider such as still part of the household. Differential application of this concept by households can affect the content and quality of their responses and would need further investigation.

It would be necessary to analyze responses to some of the questions in the Household Roster section of the GLSS questionnaire, which includes the following questions:

- (a) For how many months during the past 12 months has (NAME) been away from this household?
- (b) While absent, is/was (NAME) a member of another household (including single person household)?

Another important concern relates to the definition of remittances. The estimates of remittances derived from the household survey will be at variance with those compiled from the macro-economic framework. It would be necessary to clarify the sources of differences and perhaps to adopt terminologies that would not signal the distinctions in the underlying concepts.

### **5.3 Accuracy of third-person reporting on non-residents**

The module on Migrants and Remittances, solicits information about former household members who are living outside the area or country. Depending on the connections that migrants maintain with their former households, and specifically with the reporting member of the household or the head, changes in their characteristics, such as activity status, marital status, occupation and education may not be known. The pattern of responses for these would also need to be analyzed.

## **6. Conclusions**

While it has been increasingly recognized and acknowledged that remittances contribute significantly to economic achievements of Ghana, there is no strategy in place to collect and compile relevant data to assess their levels and distribution across the country. The sections on migration and income transfers seek to bridge this gap, but they are not sufficiently detailed to provide answers to the many questions policy makers need to harness this resource.

The World Bank module on Migrants and Remittances provided a timely intervention to address this gap and some basic set of data should now become available for more detailed analysis. The Ghana Statistical Service and the World Bank would need to partner with research institutions and other interested organization, to ensure that these data well utilized to support policies, and facilitate the release of these data for further analysis.