

# Channelling Migrant Remittances from South Africa to Zimbabwe: Opportunities and Obstacles

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## **Abstract**

As migration-development interactions continue to expand, migrant remittances have taken a leading role in cementing these interactions. Given the centrality of remittances in the migration-development debates, this paper gives an outlook into the experiences and strategies of migrants and their households in the transfer of remittances to Tsholotsho district in Zimbabwe. This paper seeks to show how South Africa based Zimbabwean migrants from the Tsholotsho district in Zimbabwe channel their remittances to their remaining household members. In addition, the paper examines the opportunities and obstacles encountered by migrants in negotiating different channels of remittance transfer at their disposal. This study was conducted using a mixed methods approach and data was collected in both Zimbabwe and South Africa. 159 household principals in Tsholotsho responded to survey questionnaires while five key informants were interviewed as well as 15 migrants based in Johannesburg. This study found that the experiences and strategies of remittance transfer amongst migrants and their remaining household members in Tsholotsho were congruent with findings of previous studies conducted in other regions and countries. Migrants preferred the use of informal channels over the formal channels. Despite the risks associated with the use of informal channels various factors including the cost of transfer led migrants to use informal channels of sending remittances.

**Keywords:** migrant remittances, channels of transfer, Omalayitsha, South Africa, Tsholotsho

## **Introduction**

Studies focusing on the role of migrant worker remittances in local development and improving household livelihoods are increasingly gaining interest on how these remittances reach their intended destination. Given that some migrant workers are documented while others are not, the migrant status has a bearing on the choice of the remittance channels used. While formal channels of money transfer exist, most undocumented migrant workers have no access to them hence the reason they come up with a plethora of creative ways to transfer remittances. Previous research has estimated that the majority of remittances are transferred via various informal channels such as carrying them in person, using a friend or relative, using a bus or taxi driver (Deshingkar *et al.* 2006; Savage & Harvey 2007; Orozco 2012; Chami 2012). Despite the dominance of informal channels, these studies also acknowledged that substantial amounts of remittances were also being sent through official channels such as Money Transfer Operators, Banks and Postal Unions. According to Orozco (2012), in most developed countries about 60% of migrants used formal channels whereas in Africa, migrants predominately if not exclusively used informal channels. Orozco (2012) attributed the aforementioned situation to repressive laws that prohibit outward international transfers by individuals except in extraordinary circumstances. These repressive laws are often justified as measures put in place to guard against money laundering and limiting access to terrorist funding. In cases where such an official transfer occurs, Orozco (2012) argued that the transfer was usually done only when one had a bank account, something that has never been common amongst undocumented migrant workers. While growing volumes of research on migrant remittances exist in Zimbabwe, studies focusing on the experiences of remittance transfer are sparse (Maphosa 2007; Mangunha, Bailey & Cliffe 2009; Bracking & Sachikonye 2010). In addition, the district of Tsholotsho has had a long and unique culture of migration to South Africa (see Nzima, Duma & Moyo 2016b) and yet very little is known on how migrant workers and their remaining households experience and negotiate various channels of remittance transfer. Given the centrality of remittances in the migration-development debates, this paper gives an outlook into the experiences and strategies of migrants and their households in the transfer of remittances to Tsholotsho. This paper seeks to show how South Africa based Zimbabwean migrant workers from the Tsholotsho area in Zimbabwe channel

their remittances to their remaining household members. In addition, the paper examines the opportunities and obstacles encountered by migrants in negotiating different channels of remittance transfer at their disposal. The following section will look closely at the research methodology used in this study.

## **Research Methodology**

Paul Feyerabend, a renowned philosopher and anarchist once argued that plurality is the best medicine for epistemology. He held the view that,

... A scientist who wishes to maximize the empirical content of the views he holds and who wants to understand them as clearly as he possibly can, must therefore introduce other views; that is, he must adopt a pluralistic methodology ... (Feyerabend 1975:30).

This study seeks to understand the complexities that migrants encounter in negotiating spaces and maintaining transnational lives though consistently remitting as clearly as possible. Given the differences between migrants' situations and the need for making quantitative inferences, I adopted a pluralist methodology for this study. With reference to arguments made by Feyerabend, this research employs both quantitative and qualitative methods. Johnson and Onwnegbuzie (2004) support a mixed methods approach, as it enables the researcher to holistically deal with the complex research problem such as understanding what comes into play when migrants have to decide on which remittance transfer methods to use and which ones best suit their unique situations. For the purpose of this study, 159 households out of the selected sample of 200 responded to self-administered questionnaires. 39 selected participants refused to participate for various reasons. These included lack of trust in the intentions of the research team as well as fear to be wrongfully mistaken to be entertaining political pressure groups. This research was conducted towards the 2013 elections and the environment was politically volatile. In line with research ethics their right to refuse participation was respected. In addition, 5 key informants in Tsholotsho were interviewed and a further 15 migrants took part in interviews in Johannesburg. Key informants were selected on the basis of their leadership influence in the community.

These included religious leader, ward councilors, senior police official and school teacher. Traditional leaders were invited to participate but they declined the offer. Migrant workers in South Africa were selected using snow balling. The key criterion was that they belong in a household in Tsholotsho. Some were selected through referral by their household members in Tsholotsho. The researcher mainly relied on interview notes as most of the participants refused to be recorded. The main reason for refusing to be recorded was the fear that they could be identified through voice recognition. Therefore, despite assurance for anonymity they were not willing to take chances. For migrant workers, their legal status in South Africa was the major driver of their skepticism towards recordings. In Zimbabwe, the political volatility at the time influenced refusal to be recorded.

Unobtrusive observation was also used as an essential resource in gathering data for this study. The researcher travelled extensively with informal cross border transporters to gain a deep ethnographic understanding of the street level politics governing the informal transfer of remittances. In addition the researcher also used documentary resources in the form of previous published research on the subject of remittances to further corroborate the findings of this study. This study, just like the others before it, which were conducted between the Zimbabwe-South Africa migration corridors, sought to gain insight from the use of plural methods (Maphosa 2007; Mangunha *et al.* 2009; Ncube & Gomez 2011). The common methodological objective between this study and the ones mentioned above was to maximize on the strengths of mixed methods. Onwuegbuzie and Teddlie (2002) concur that using mixed methods brings research synergy in that numbers can be given more meaning by narratives while narratives can have more precision if complimented by numbers.

## **Formal Remittance Channels**

Formal remittance channels are predominately used by migrants with a legal status. Maphosa (2007) concurs with my assertion that undocumented migrants are less likely to use official channels when compared to documented migrants. Therefore, this implies that undocumented migrants often opt for informal channels despite the fact that they may be very unsafe. Researchers have argued that formal remittance channels are licensed and they are very safe

compared to the informal ones (Savage & Harvey 2007; Orozco 2012). There are several factors that determine the type of channel that migrants choose to use. Maphosa (2007:125) notes the availability of ‘... banking and other financial institutions, the speed, efficiency, security of the system and the educational status of the sender ...’ as some of the most outstanding determinants.

There are several formal remittance channels that migrants can choose from. Sander (2003) identified three main formal channels that are used by migrants and these are the Banks, Post Offices and Money Transfer Operators (MTOs). According to Sander (2003), banks are often the cheapest formal option for larger remittance transactions. However, they generally have high costs for smaller transactions. He further noted that, though the bank is a more secure channel, it can be slow and the processes involved can be very cumbersome (*Ibid.*). Post Offices have been seen to be often cheaper in comparison to other formal channels and they have a high accessibility rate. Their main disadvantage is that they often have a poor service quality and have a lack of liquidity in many developing countries. These are attributes that contribute to an unnecessary delay of the process severely inconveniencing the recipients (Sander 2003). Money Transfer Operators have been identified by Sander (2003) as the speediest, being also reliable and accessible in major centers. Their problem though, is that they have high costs per transaction especially for smaller transactions. In addition they tend to have very unfavorable foreign currency exchange rates (*Ibid.*).

In the case of Zimbabwe, a study undertaken by Maphosa (2007) in Mangwe district revealed that very few people use official channels to remit. This was mainly because there were no banks and financial institutions in this rural district, and that most people who remitted were undocumented migrants (*Ibid.*). Other studies in Zimbabwe indicate that, in 2004, the government, through the Reserve Bank of Zimbabwe (RBZ) once introduced a formal remittance transfer facility known as Homelink (Maphosa 2007; Chimhandamba 2009; Ncube and Hougaard 2010). This bid sought to encourage the formal transfer of remittances to Zimbabwe. However, the people of Zimbabwe had lost trust in the Reserve Bank of Zimbabwe given the fiscal and monetary challenges the country faced. Ncube (2010) agrees with this researcher, that migrants are reluctant to use the Homelink facility as it previously led to a dismal failure. She argues that the facility’s reputation was tainted from inception, due to the mere fact that it emanated from the Reserve

Bank of Zimbabwe, which had been discredited as a subsidiary of the political elite in the country (Ncube 2010). This general skepticism against government driven initiatives, and the general unavailability of Financial Institutions in the rural areas coupled with a high number of undocumented migrants has hindered many efforts to channel remittances into the mainstream economy in Zimbabwe. There have been recent reports (Karombo 2013) that the money transfer industry is growing between South Africa and Zimbabwe. This has mainly been an initiative of selected South African Banks in partnership with other private players in Zimbabwe such as retail supermarkets. These new developments might signify the beginning of a new dispensation where institutions are making it possible for remittances to enter the mainstream economy and this could ensure that more flows of remittances are recorded officially.

In other African countries, such as Senegal, a study conducted by Thiam (2012) reveals that Senegalese migrant workers remitted an estimated amount of 832 million Euros using formal remittance channels in 2007. The same study revealed that during the period 2005-2009 remittances transferred through formal remittance channels averaged 763 million Euros. Despite the high remittance flows through official channels, Thiam (2012) still raises concerns that an estimated 46% of remittances transferred to Senegal are sent via the informal channels. He suggests that perhaps a reduction in transaction costs and an introduction of incentives may influence more formal transfers. Tall (2008), as quoted in Thiam (2012) asserts that financial institutions in Senegal are interested in the opportunities presented by remittances. He argues that this is evidenced by financial institutions increasingly designing and offering products and services tailored to migrants' needs. In addition, Thiam's (2012) research found some Senegalese Banks have been opening branches and agencies in the Diaspora as a move to encourage the formal transfer of remittances to Senegal. This move by Banks presents opportunities for more remittances to be officially recorded, so as to ensure that their contribution to poverty reduction and use as venture capital is measured. In addition, this enables the economic circulation of legitimate money which undoubtedly creates the possible conditions for its growth.

Elsewhere in the world, Chowdhury (2012) conducted a study in Bangladesh, and discovers that government works closely with the Bangladesh Bank to encourage their migrants to send remittances through official channels. In the same spirit, Chowdhury (2012) also finds that other players in the

banking sector create networks abroad to ensure that Bangladesh nationals transfer their remittances through official channels with ease. Furthermore, Chowdhury's (2012) study reveals that government initiatives such as tax exemptions and the creation of different savings products play a pivotal role in motivating remittance transfer through official channels. Chowdhury (2012) thus concludes that such joint measures taken by government and other stakeholders have seen increasing remittance transfers through official channels and which is increasing day by day in Bangladesh.

### **Informal Remittance Transfer Channels**

The amount of informal remittances that are sent by migrants from host countries to countries of origin is virtually unknown since most of them are sent through informal channels. There are many forms of informal channels and they often tend to be private, posing challenges for the official recording of remittances. Studies have shown that migrants usually prefer to use bus drivers, taxi drivers, friends and family members and many other informal remittance sending methods (Kerzner 2009; Mohapatra *et al.* 2010). There are many reasons that prompt migrants to send remittances through informal channels. Studies have indicated that undocumented migrants have limited or no access to formal channels. Therefore, the implication is that their only option would be to make use of informal channels (Maphosa 2007; Chimhandamba 2009; Kerzner 2009). The nature of remittances is also an important factor, as Melde and Anich (2012) indicate, that in addition to money, migrants also send consumer goods and food items to their families. This study has revealed that informal channels have proven to be the most convenient in the transfer of such in-kind remittances. These in-kind remittances are usually omitted, both in official statistics and in most remittance surveys, as rightfully observed by Mede and Anich (2012).

Significantly, the point that stands out in many remittance studies is that high transaction costs associated with formal channels such as banks and money transfer operators prompts the majority of migrants to settle for informal channels (Kerzner 2009; Irving *et al.* 2010; Ratha *et al.* 2011). According to Melde and Anich (2012:91) '... sending remittances between Sub-Saharan countries can cost between 5% and 15% of the total money being remitted'. Given the fact that in most countries remittances are often taxed

upon receipt as pointed out by Vasconcelos and Meins (2012), the use of informal channels proves to be an easy way out of this a situation.

In the case of Zimbabwe, previous studies have shown that the majority of remittances are sent through informal channels (Bloch 2006; Maphosa 2007; Mosala 2008; Chimhandamba 2009; Solidarity Peace Trust 2009; Ncube & Gomez 2011). In Bloch's (2006) analysis of the ways through which Zimbabwean migrants transfer remittances, an estimated two thirds transferred their remittances through informal channels. Her study found 43% of Zimbabwean migrant workers transferred their remittances through friends and family, 38% used other parallel channels, and lastly 36% delivered their remittances in person while visiting Zimbabwe (Bloch 2006:82).

Maphosa's (2007) study in the Mangwe district of Zimbabwe, found the bulk of remittances from South Africa reached their beneficiaries through unofficial channels. Moreover, the most prominent of these channels were found to be cross-border operators, (Maphosa 2007; Solidarity Peace Trust 2009; Ncube & Gomez 2011). Maphosa (2007) concurs with Bloch (2006) that other significant amounts of remittances in Mangwe were personally delivered by remitters, while also noting that some of the remittances were collected by beneficiaries in person. Meanwhile, in his study concerning the importance of remittances Mosala (2008) asserts that consensus existed amongst respondents on the importance of remittances to support remaining household members back in Zimbabwe. Mosala (2008:22) sums up his key findings by saying '... remittances are crucial, but circulate through informal channels'. Mosala (2008) also reports that most informal channels used by his respondents, to send their remittances included cross-border traders and public transport staff. It is clear from this exposition that difficulties exist in terms of measuring the real amount of remittances that are sent to Zimbabwe, since the bulk of them are being sent through informal channels.

### **Channeling Remittances to Tsholotsho**

This study finds that the majority of households in the Tsholotsho district of Matabeleland North Province in Zimbabwe received the bulk of their remittances through informal channels. Previous studies that have been carried out on migrant remittances and development in other regions came to a similar finding. Most of these have identified that the majority of migrants, especially

in Sub-Saharan countries preferred to use informal and private methods of sending their remittances (Deshingkar *et al.* 2006; Savage & Harvey 2007; Orozco 2012; Chami 2012). The results of this study points one to the various informal channels through which remittances reach their beneficiaries in Tsholotsho. These include, a friend or relative, using a bus driver or a taxi driver. Given the foregoing, one could even argue that the choice of remittance channels used is carefully thought out as a means to avoid detection by authorities. This is most likely due partly to their immigration status that could lead to arrest and deportation. In addition, this research also notes that there are some households receiving remittances through official channels. However, the volume of official remittances reaching beneficiaries in Tsholotsho is very low. Either way, the choice of remittance channels is made against the need to maximise opportunities and minimise obstacles. The presence of remittances by itself presents opportunities to improve livelihoods, to raise venture capital and to maintain transnational lives. In choosing the method of transfer, migrants in Tsholotsho negotiate obstacles such as their legal status, loss of goods and transfer costs amongst others. While official channels are praised for their safety, there are various obstacles in using them such as high transfer costs which minimises opportunities such as raising venture capital and improving livelihoods. On the other hand, though informal channels are preferred because of their easy accessibility, they are unsafe and present obstacles such as loss of goods. Therefore, the choice of remittance channel is not an easy one. It is made after very careful considerations. Drawing from a sample of 159 households in Tsholotsho, the following (Figure 1) presents survey findings of this study regarding the choices of remittance channels to beneficiaries in Tsholotsho. Though the sample is relatively small, the data does give some kind of indication of the state of affairs in Tsholotsho.

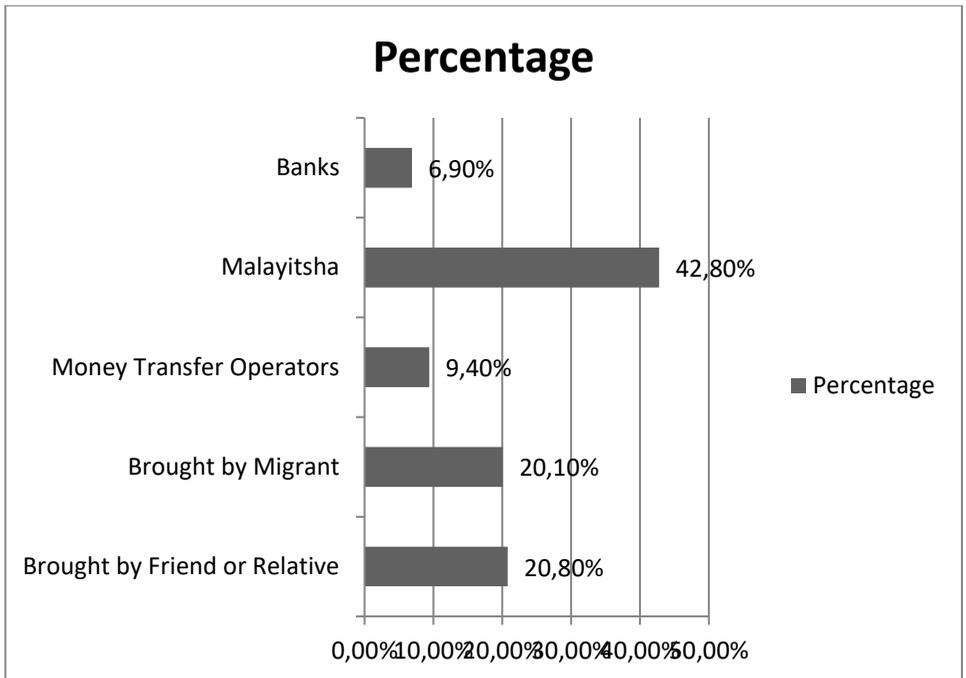
According to the survey findings presented in the graph below, the Malayitsha<sup>1</sup> system is the most popular means of remittance transfer in Tsholotsho, with 42.8% of households having reported to have used this facility. In Maphosa's (2007) study the Malayitsha system is the most popular remittance transfer channel, with over 50% migrants using it in Mangwe district in Matabeleland South. While some households in Tsholotsho report

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<sup>1</sup> The term Malayitsha is used to refer to informal cross-border transport operators. 'These cross-border operators carry people, goods and money' (Maphosa 2007:129).

that they do use official channels, such as money transfer operators (9.4%) and banks (6.9%), this study reveals that informal channels are the most dominant, with a cumulative percentage of over 80%. According to Orozco (2012), the use of informal channels is a common feature in Africa. He argues that while in most developed countries, about 60% of migrants use formal channels, in Africa migrants predominantly, if not exclusively, use informal channels.

**Figure 1. Channels of Remittance Transfer to Tsholotsho**



There are various reasons that lead migrants to prefer the use of informal channels such as the explanation provided by JHB 02<sup>2</sup> below:

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<sup>2</sup> JHB followed by a numerical figure represents the anonymous respondents who are migrants based in Johannesburg, South Africa.

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*... most of us don't have papers so we cannot go to a bank because they can catch us and deport us or detain us at Lindela<sup>3</sup>. So Malayitsha is our best option even though they are expensive because we know them from home and they don't require us to produce passport and work permit (Interview JHB 02, May 2013).*

Most Zimbabwean migrants in South Africa are undocumented, and as a result they find it difficult to access formal channels such as banks and money transfer operators. As Orozco (2012) concurs, in most cases the use of formal channels may require one to be in possession of a bank account which is often not the case with many illegal migrants. In particular, Money Transfer Operators (MTOs) in South Africa are mostly, if not all, linked to a bank. When a person wants to send money even through a money transfer operator, they almost always are required to have an account with the bank through which the MTO (money transfer operator) operates. Therefore, such arrangements make it extremely difficult, and it deters undocumented migrants from sending their remittances through MTOs or even international bank transfers. Despite that, these are often praised for their safety as a means of transferring money internationally, but their strict monitoring makes the majority of migrants to shun them in favour of the less safe channels of the informal kind.

While Karombo (2013) in Business Day reports that cash transfer service fees are growing and an estimated R6.7 billion is remitted to Zimbabwe per year, there are still structural constraints for migrants and rural dwellers. There are some new MTOs on the rise in South Africa. Some of these operate jointly with popular stores and supermarket, while others operate within the bank, but in disguise. The following migrant's account sheds some light:

*It is not easy to send money from SA, it is worse if you don't stay in Joburg. These days there is Mukuru you can send using your cellphone, the problem is you need papers to show that you get paid or where you get money. If you have no papers then you can't register, sometimes you ask a friend to send with their account. There is this other one where you deposit to a certain account and use your cellphone to make sure your people have pin, but I don't trust it (JHB 05, May 2013).*

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<sup>3</sup> Lindela is an immigration detention centre in Johannesburg.

### *Channelling Migrant Remittances from South Africa to Zimbabwe*

From the above account we can deduce that even with the rise of the new online based MTOs, migrants still face barriers with registration, if they are undocumented. The MTOs require identification documents as well as proof of income. In most cases, these migrants fear to even disclose their employers by submitting the proof of income, and in other cases they simply do not have such proof as they are involved in informal work. There is no doubt that some of these measures are put in place to guard against criminal elements such as money laundering. However, in this particular case, such measures push people to channel money through unsafe informal channels. Another system that is gaining momentum is the *hawala/hundi* system which is common between European and Asian countries. In this system people give their money to a dealer known as a *hawalda* in the host country and a partner in the origin country pays the recipients. In this system there is no movement of cash, the *hawaldars* in the host and origin country operate based on trust. They find creative ways of recovering the money owed between the two partners without the movement of cash. The researcher finds that the Zimbabwean migrants interviewed in this study are suspicious of this system, and hence they often steer clear of it. The system is common with migrants from Asian countries and it does not require any paperwork. Zimbabweans preferred to send money through private means such as through a friend, family member or a known *Malayitsha*, as they regarded this system as too good to be true.

There are also cases where documented migrants still insist on using informal channels to remit to their families. Based on empirical observations made in Tsholotsho, there was only one bank in the District. That bank is not easily accessible for many households, as they are located very far from the Tsholotsho business centre. Therefore, most people preferred to use the *Malayitsha* because they delivered remittances on the door step. A similar finding was made by Maphosa (2007) in his study conducted in the Mangwe District where he revealed that people preferred the use of the *Malayitsha* system owing to the unavailability of financial institutions in the rural areas. In the event that formal channels such as MTOs are used, recipients would be required to travel to Bulawayo (city nearest to Tsholotsho) and this would further reduce their remittance amount as some of it will be taken up by transport costs. In addition, some of the recipients are not literate enough as noted by the respondent below.

*.... Sometimes it is better to just buy the things and give Malayitsha or*

*send money with someone when they are going home, our parents are old and these things can be too complicated for them and they don't have to do the shopping ... (JHB 07, May 2013).*

Another explanation that can be given for the extensive use of the informal migrant remittance transfer channels amongst 80 of the respondents could be the nature of remittances sent by migrant workers to Tsholotsho. While the most common form of remittances is financial in nature, in Tsholotsho remittances extend to in-kind remittances such as groceries, clothes, building materials and many others. Previous studies have also noted the commonality of in-kind remittances in some parts of the world and that they are often likely to be transferred via the informal channels (Maphosa 2005; Bradford *et al.* 2008; Guiliano and Ruiz-Arranz 2009; Mohapatra and Ratha 2011). Using the informal channels such as the Malayitsha system enables people to by-pass the customs-duty as they would otherwise be required to pay in full at the border. In the case of Tsholotsho, the Malayitsha system is the most convenient channel, unless one carries the remittances in person when one is going back home for holidays. While there are concerns of a lack of reliability on the part of the Malayitsha, where there are delays and even cases of goods lost, there has not been other cheaper and much more accessible formal channels of transferring in-kind remittances. According to Maphosa (2007), the damage and loss of goods is problematic, given that there is no insurance against such unexpected developments. In this study, I have learnt that unforeseen occurrences where remittances are lost, delayed, damaged or put to use with the intention to pay back are very common within the Malayitsha system in Tsholotsho. These unfortunate occurrences often cause conflict between Omalayitsha and their clients. In other cases, the conflict becomes a communal matter and causes disharmony between community members. In this section, findings on the channels used to transfer remittances have been presented. The next section will take a closer look at the Malayitsha system and how it functions as it is the most preferred remittance transfer method.

## **The Malayitsha System**

In this present study it has emerged that the Malayitsha remittance system is a very prominent means amongst Zimbabwean migrants to send remittances. In

this section, an attempt to zero into this system will be made. The term 'Malayitsha' is an Ndebele term meaning, 'one who loads and carries goods'. This term is now very popular in the Zimbabwe-South Africa migration corridor. The term Malayitsha is used to refer to informal cross-border transport operators. 'These cross-border operators carry people, goods and money' (Maphosa 2007:129). In the researcher's observations, while conducting this study, it is noted that these operators often carry people from Zimbabwe to South Africa without proper travelling documents. It is common belief among Zimbabweans that these operators have strong connections with immigration officials that enable them to smuggle undocumented migrants. Previous studies have also shown that the Malayitsha system has proven to be a very convenient channel for the millions of undocumented migrants in South Africa (Maphosa 2007; Chimhandamba 2009; SPT 2009; Ncube 2010). For undocumented migrants using a formal channel puts them at risk of being deported and besides without proper documents they have no access to the formal systems (Maphosa 2007; SPT 2009; Ncube 2010). The Malayitsha system does not require any documents from the clients. What is important is that clients provide the address where remittances, and sometimes people, have to be delivered. Solidarity Peace Trust (2009), also noted the Malayitsha system has made it easier to remit for families in Matebeleland as opposed to the periods between the 1980s and 1990s when the current Malayitsha system was not in place. This shows that the Malayitsha system has played a significant role in ensuring an improved transfer of remittances to the rural areas of Matabeleland and Tsholotsho in particular, even though their methods are unorthodox at times. Parallels can be drawn between the Malayitsha and the Hawala/Hundi system which is common in South Asia. Just like the Malayitsha system, the Hawala system is based on social networks and trust (Jost & Sandhu 2003; Rahman & Yeoh 2008). The only difference is that with the hawala system there is no movement of money, a person in the host country asks their connections in the origin country to settle the amount remitted on their behalf (Jost & Sandhu 2003; Rahman & Yeoh 2008). These transactions happen based on nothing but trust. In the case of the Malayitsha, money and goods move and again it is a system governed by trust as there often is no paperwork to trace the transactions. The remitter puts his or her trust on the Malayitsha to deliver. Both these systems are innovative and they are aimed at maximizing the opportunities of remittances by side stepping obstacles in the official channels.

The Malayitsha are usually seen carrying loads of goods heading towards Zimbabwe almost on a daily basis. Their business is however at peak during holidays, and the festive season sees many migrants sending money and groceries during these periods. One of the findings for this study was that, the Malayitsha are preferred as a means to transport remittances because they do not require any documentation from their clients. The Malayitsha can easily by pass barriers when crossing borders with goods by using their strong networks with authorities such as law enforcement, customs and immigration officials. The Malayitsha system just like the Hawala system derives its strength from maintaining these strong social connections and partnerships. During holidays most people are on leave and they want to travel. Given their undocumented immigration status, they put their faith on the Malayitsha to get them home. It often also would be the same Malayitsha that brings them back. In most cases, the Malayitsha will be from the same village as his clients and their trust runs deep, which explains why they trust the same Malayitsha to transfer their remittances despite the risk of loss, damage and fear that the Malayitsha will put goods to his personal use. In a similar note, the hawala system thrives on this trust, migrants send their money without any real guarantee that it will reach the beneficiaries but it does (Rahman & Yeoh 2008).

The Malayitsha system operates as a courier. They deliver goods at the doorstep. Given the unavailability of institutions to transfer money or alternative ways to transfer in-kind remittances in the rural areas such as Tsholotsho, beneficiaries prefer to receive their remittances from the Malayitsha. They trust the latter, and in some cases they grew up within the same village. Other earlier studies concur that delivering remittances at the door step sets the Malayistha apart, and hence people avoid unnecessary costs and inconveniences associated with using formal channels (Maphosa 2007; SPT 2009; Ncube 2010). By using the Malayitsha system, beneficiaries are not required to spend more money travelling to the cities to collect their remittances. Other researchers like Chimhandamba (2009) have argued that the Malayitsha system is not necessarily cheaper than formal channels as the cost of sending remittances from South Africa can be up to 20% of the total being transferred.

The findings of this study have also shown that the prices for transporting both in-kind and cash remittances are often negotiated as a result of kinship relations, friendships and social capital networks developed over a long term between the clients and the couriers. Most respondents lamented that

banks and other official channels have fixed prices and there is no room for negotiations. As a result, this reality justifies their choice to always opt for the Malayitsha system and other more flexible informal channels to remit. Respondents also strongly point out that given the economic situation prevailing in Zimbabwe; they often send in-kind remittances such as groceries, furniture, building materials among a host of things. What is peculiar with this is that these are very bulky items, leaving no other better channels that are most convenient for transporting the goods, other than through the Malayitsha. What is interesting is that the goods are not weighed to determine the transfer cost. However, the Malayitsha manually lifts them up, and provides a fee according to how heavy he feels the goods are. Though prices are negotiable, this arbitrary procedure of determining transfer costs for in-kind remittances is arguably one of the disadvantages of the system. Other notable disadvantages of using the Malayitsha system include the delay of delivery of remittances, failure to deliver, operators can be robbed, and goods can be damaged in transit. This is problematic given the background that there is no insurance against such unforeseen occurrences.

## **Conclusion**

Migration-development interactions have continued to take centre stage in contemporary migration research. The glue to this nexus is the rising migrant remittance flows that are expected to result in a development dynamic in migrant's land of origin (Nzima, Duma & Moyo 2016a). Given the centrality of remittances in the migration-development agenda, the need to understand how these remittances are transferred to their beneficiaries becomes necessary. This paper gave an outlook into the experiences and strategies of migrants and their households in the transfer of remittances to Tsholotsho. This paper sought to show how South Africa based Zimbabwean migrants from the Tsholotsho area in Zimbabwe channel their remittances to their remaining household members. In addition, the paper examined the opportunities and obstacles encountered by migrants in negotiating different channels of remittance transfer at their disposal. Different methods of channelling remittances have been discussed. These include formal and informal channels. This paper found that the choice of remittance channels is made against the need to maximise opportunities and minimise obstacles. The presence of remittances by itself

presents opportunities to improve livelihoods, to raise venture capital and to maintain transnational lives. In choosing the method of transfer, migrants from Tsholotsho negotiate obstacles such as their legal status in South Africa, loss of goods during transfer and transfer costs amongst others. While official channels are praised for their safety, there are various obstacles in using them such as high transfer costs which minimises opportunities such as raising venture capital and improving livelihoods for poor households in Tsholotsho. On the other hand, though informal channels are preferred because of their easy accessibility, they are unsafe and present obstacles such as loss of goods and damage. This is problematic given the inherent unavailability of insurance in unofficial channels. Therefore, the choice of remittance channel is not an easy one. It is made after very careful considerations. However, in this paper it merged that migrants from Tsholotsho derived more opportunities from using unofficial channels as evidenced by the prevalent use of the Malayitsha system. This system was found to be driven by trust and social partnerships in South Africa and in Zimbabwe. It presented opportunities to sidestep obstacles inherent in official systems such as bureaucratic processes and the high transfer costs. In addition, it was found to be easily accessible to undocumented migrants who had no access to banks and who needed to avert deportation. This system just like the hawala/hundi system in South Asia was found to be private and allowed personal interaction as remittances were delivered to the doorstep in person. This informal channel is nowhere near perfect. However, it remains the best alternative given the unique remittances sent to Tsholotsho such as bulky in kind-remittances. In addition, in the absence of financial institutions in rural areas like Tsholotsho, it remains the most convenient channel to maintain transnational lives through remittances and thus maximise on the opportunities of continual remittance flows.

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