Dr Kifle is surveying Eritrean migrants in Australia to understand the motivation for sending money they earn here back to their African home.

Dr Kifle, from the School of Economics, is attempting to discover the determinant of remittances, money earned abroad and sent home, so that policy decisions can be made on how best to facilitate and use the funds.

Dr Kifle said that as Eritrea had no exports to speak of the country was heavily dependant on remittances; 40-50 percent of GDP is estimated to be from money sent home, making the country the most dependent on remittances per capita of any African nation.

He said that once the main determinant of remittances was established recommendations could be made to ensure the country got the greatest benefit from the money.

“Once we understand why people send money, how they send money and how the make-up of their families and households influence these things, we can suggest relevant policy recommendations and implications,” he said.

Dr Kifle said that other research on remittances indicated that there were five main motivators for sending money home.

“The main motivations for remittances include altruism, that is sending money to help family with no expectation for return; investing in land and other things for when they return home; to ensure inheritance; insurance for family members; and exchange for non-monetary services such as minding children and property while the person is overseas,” Dr Kifle said.

Eritrea is a small country in East Africa that gained independence in 1993 after a 30-year war with Ethiopia.

During the years of war and the ongoing border disputes with Ethiopia, many Eritreans fled the country. It is estimated that one quarter of Eritrea’s four million people live outside the country.

Dr Kifle’s research involves conducting a survey of some of the 6,000 Eritrean migrants living in Australia.

A questionnaire has been developed which will be used to collect information on the makeup of Eritrean households in Australia and how much income is sent home and why.

Dr Kifle said that prudent use of remittances was vital to the economic future of Eritrea.

“Remittances are an important part of household income in Eritrea and if they were to disappear then the impact felt among householders would resonate throughout the national economy.”