

Remittances to Comoros – *Volume, Trends, Impact and Implications*

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Abstract

Best known for political instability, a high number of coups, and for the export of spices, the Comoros Islands are also among the leading countries in the world in terms of remittances per capita and dependency on the export of their labor force. In Africa, Comoros ranks second, after Eritrea, in terms of its dependence on remittances. This study is a first attempt to analyze magnitude, economic impact, seasonal variation and regional distribution of remittance flows to Comoros. It also discusses determinants, use and impact of remittances and complements the economic analyses with local case studies and an assessment of the socio-political nature of Comoros' Diaspora.

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Remittances to Comoros

Volume, Trends, Impact and Implications

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List of Abbreviations

ANIF	Association of the Itsandra region in France (<i>Association N'gome Itsandra en France</i>)
ASEC	<i>Association des stagiaires et étudiants des Comores</i>
BCC	Central Bank of Comoros (<i>Banque Centrale des Comores</i>)
BIC	Bank for Industry and Trade (<i>Banque pour l'Industrie et le Commerce</i>)
BNP	<i>Banque Nationale de Paris</i>
BOP	Balance of Payments
CCF	<i>Conseil des Comoriens en France</i>
CDF	Community Development Fund
DFID	Department for International Development
DIASCOM	Comorian Diaspora Organisation (<i>Diaspora Comorienne</i>)
FADC	Social Fund Project (<i>Fonds d'appui au Développement Communautaire</i>)
FECOM	Federation of Comorian Associations in France (<i>Fédération des associations de Comoriens en France</i>)
GDI	Gross National Income
GNDI	Gross National Domestic Income
GDP	Gross Domestic Product
IMF	International Monetary Fund
INSEE	<i>Recensement de la population</i>
KMF	Comorian Franc
LDB	Live Database
MECK	Comorian Savings and Credit Union (<i>Mutuelles d'Epargne et Crédit ya Komor</i>)
PEFA	Public Expenditure Management and Financial Accountability
PPIAF	Public-Private Infrastructure Advisory Facility
PRSP	Poverty Reduction Strategy Paper
USD	United States Dollar
WU	Western Union

EXECUTIVE SUMMARY¹

Best known for political instability, a high number of coups, and for the export of spices, the Comoro Islands are also among the leading countries in the world in terms of remittances per capita and dependency on the export of their labor force. An estimated 20 to 25 percent of the people of Comorian origin live abroad, i.e. some 150,000 to 200,000 people, of which between 85,000 and 150,000 are living in metropolitan France, many with French citizenship. This Diaspora maintains strong ties to the Comoros and remits over CF16 billion (over US\$ 36 million) annually, in addition to US\$ 15-20 million in goods transfers.

By 2003, remittances stood well over 2 ½ times the level of merchandise exports, and approximately 12 percent of GDP. However, there are vast differences between the islands in terms of receipts. Over 90 percent of remittances are estimated to go to Ngazidja, which has about half the country's population. Remittances are a major factor in the differences of living standards between the islands and raise the wage levels on Ngazidja.

Remittances primarily finance consumption, be it individual, family or collective. A particularity of Ngazidja is the performance of *anda*, a marriage ceremony, through which families acquire and defend their status. This extravagant ritual costs at least US\$ 20,000 (representing 50 times the amount of the annual per capita GDP) and has been a strong reason for emigration in the past. The social pressures to perform it are a major factor in attracting remittances.

The collective and re-distributive aspects of the *anda*, the competitive nature of Ngazidja society and the ongoing perception that migrants will return to their villages also give rise to important Diaspora contributions to collective village projects. In the absence of effective public service delivery, its role is performed by village committees and the several hundred Diaspora organizations that sponsor their activities on much of Ngazidja Island. Diaspora-financed projects, however, often fail to reach their objectives because they tend to be disconnected from the larger institutional context and may not benefit from adequate planning or expertise in their implementation. They are also generally limited to construction, be it of mosques, schools, health posts, roads, community centers or other facilities.

¹ This study was co-financed by the World Bank's Public Expenditure Management and Financial Accountability (PEFA) program and intends to increase understanding of the remittance flows to the Comoros, thereby establishing a basis for a debate and initiatives aimed at increasing the involvement of the Diaspora in the development of the country. The Government of Comoros' Planning Commission used Poverty Reduction Strategy Paper (PRSP) Trust Fund resources to conduct a parallel study on Diaspora issues and the consultants concerned worked in close collaboration. Both studies are based on data collected and discussions held in the Comoros, France and Washington, as well as two workshops carried out with Diaspora representatives in Marseilles and Paris. The studies will be complemented by data from the 2004/05 household survey. The authors would like to particularly thank Aurélien Kruse, as well as Preeti Arora, Edmundo Murrugarra, Quentin Wodon, Cemile Sancak (IMF), Anna van der Wouden, and Janet Dooley for comments on earlier versions of this paper.

Within the Diaspora in France, the first generation of immigrants is now retiring and the third generation is moving into the labor force. This third generation, which makes up at least 60 percent of the Diaspora, is French-born, more highly educated and has less ties to the country of origin. Given their larger numbers and better employment prospects, members of the third generation becoming the main wage earners will not necessarily reduce the total amount of remittances, but they may demand a different use of the resources. Higher levels of education are also likely to improve the quality of projects carried out with Diaspora money.

INTRODUCTION

Remittances have come to play a central and growing role in the economies of the labor-sending countries. It is estimated that remittances worldwide amounted to USD 93 billion in 2003.² Across the developing world, analysis of the determinants, nature and effects of remittances is hampered by the absence of reliable and comparable data. The Comoros is no exception in this respect. Four data sets are used in this paper: BOP data from IMF country team databases (IMF); the World Bank's Live Database (LDB); the Banque Centrale des Comoros (BCC); and Western Union (WU).³ Significant differences exist between these data sources, and are noted in the text where appropriate. Further information of Comoros' demography, sociology and history has been presented at the '*Atelier sur la Diaspora Comorienne*', a convention held in Moroni in September 2003, and is reflected in this paper.

Data for *gross* purchases of foreign currency by the *Banque Centrale des Comores* is available only from 1997 to 2002⁴. While there are similarities between the trends in net and gross figures from the IMF and the BCC over the period, the BCC's gross figures for over-the-counter foreign exchange are generally lower than the IMF's net estimates of private inflows.

The purpose of this note is to summarize what is known about remittance flows to the Comoro islands, contextualize this in terms of international trends and the literature on remittance flows⁵, and highlight a number of issues that are likely to be of policy relevance in the future. The paper comprises five parts. Part I presents the magnitude of remittances in Comoros and puts them in the international context. Part II presents trends, distribution and channels, while part III explores the determinants of remittances. Part IV deals with the uses and effects of remittances and Part V highlights a number of policy implications and areas for future research.

I. COMOROS IN THE INTERNATIONAL CONTEXT

In 2003, the Comorian Diaspora remitted an estimated US\$36.4 million (or KMF 16.7 billion), well over two and a half times the level of merchandise export receipts, and

² See *The Economist*, July 31st, 2004, p. 64.

³ See Annex 1 for data from BCC, LDB and IMF. See also Swamy 1981, 'International migrant Workers' Remittances: Issues and Prospects' World Bank Staff Working Paper 481 (Washington), for a description of common data problems.

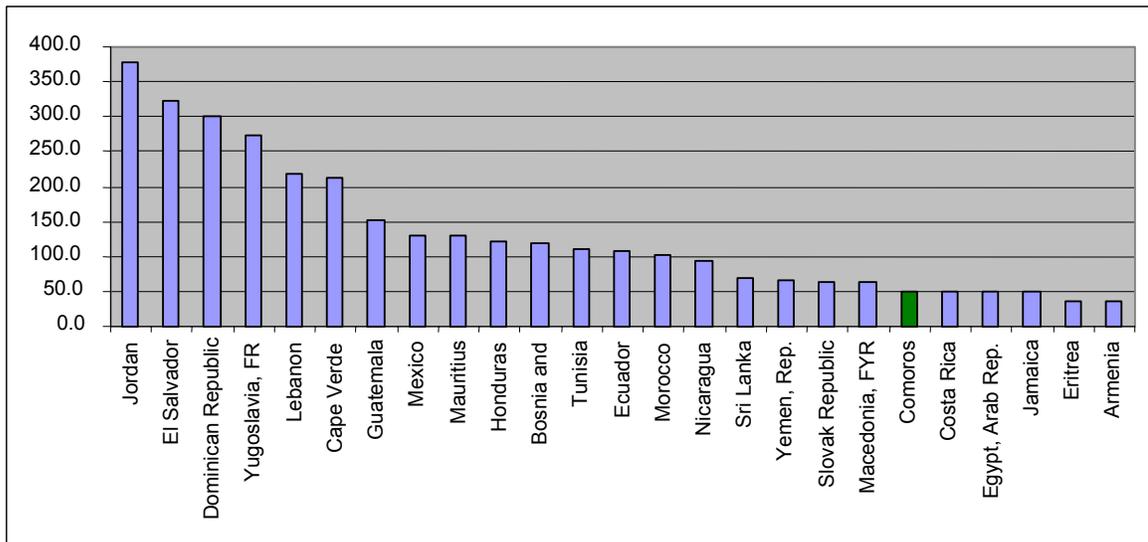
⁴ These include all over-the-counter foreign exchange transactions of the BIC and the BCC in Comoros, and transfers by the Western Union. It therefore includes foreign exchange transactions of tourists and residents.

⁵ A number of literature reviews have been used as a starting point to provide an overview of this context. The main literature reviews used in this paper are those contained in Chami, Fullenkamp, Jahjah (2003) and Sander and Maimbo (2003).

approximately 12 percent of GDP (IMF)⁶. This does not include goods transfers, which are estimated to be worth an additional US\$ 15 to 20 million.

Whereas the total volume of remittances to Comoros is very small compared to major remittance recipients such as India, Mexico, Turkey, Portugal or Egypt, in terms of relevance of remittances to the country's economy, Comoros ranks high in international comparison. The following four charts, based on data for 68 countries in 2003⁷, show Comoros in the top twenty in terms of remittances per capita (Figure 1), in the top fifteen in terms of remittances in relation to GDP and in the top two in relation to merchandise exports (Figure 2 and 3).

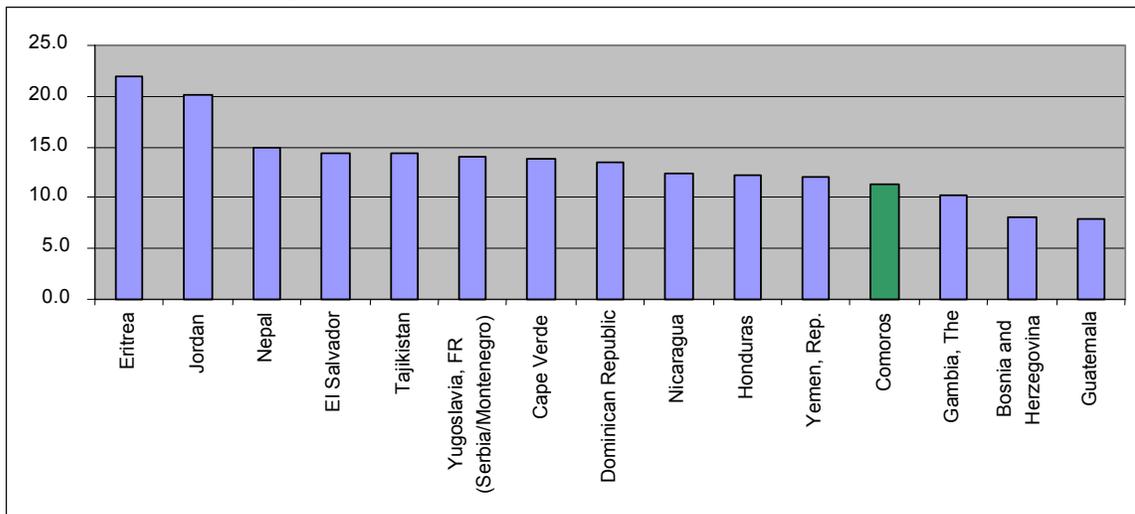
Figure 1: Remittances per capita (US\$, 2003)



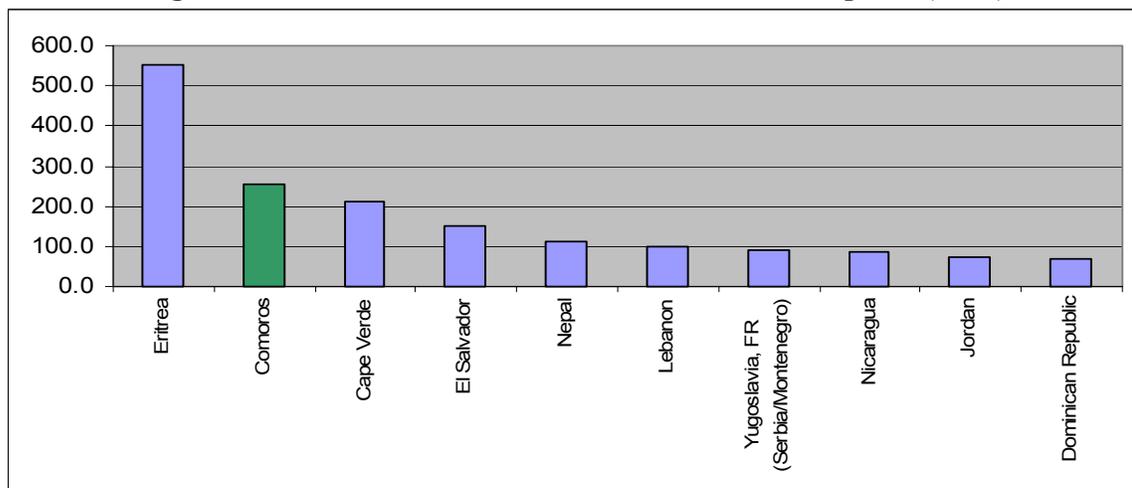
Source: LDB, IMF and BCC data sets

⁶ In general, however, these estimates remain tentative. Despite the fact that the currency is pegged to the Euro (and before this to the French Franc), and the exchange rate formally guaranteed by the French Central Bank, substantial amounts of foreign currency are exchanged in the parallel market. Large amounts of capital enter and leave the country without being recorded. Some estimate of the size of this market can be gauged by the KMF 2.7 billion that were exchanged into French Francs up to January 2002, when French Franc notes were replaced by the Euro.

⁷ Data from the World Bank Live Database.

Figure 2: Remittances in relation to GDP (2003)

Source: LDB, IMF and BCC data sets

Figure 3: Remittances in relation to merchandise exports (2003)

Source: LDB, IMF and BCC data sets

II. TRENDS, DISTRIBUTION, AND CHANNELS

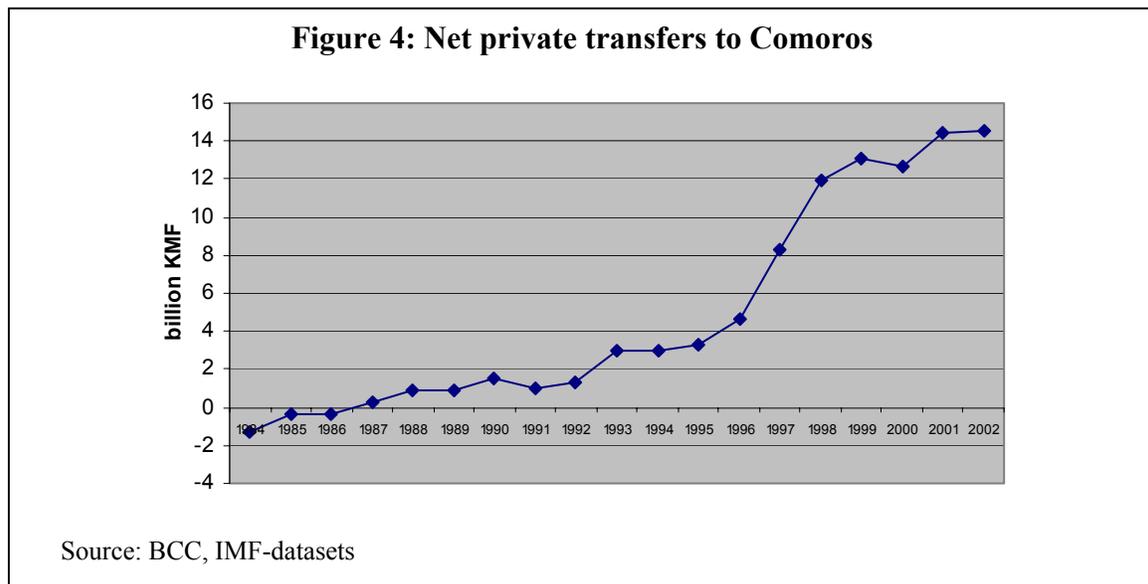
Estimates suggest that between 150,000 and 200,000 people originally from the Union of Comoros⁸ (or between 25 percent and 30 percent of the population) live outside their country, the majority of whom are in France (estimated to number between 100,000

⁸ In line with the practice of Comorians themselves, this paper takes Diaspora membership to be a function of culture and ancestry rather than citizenship. This broader notion of identity coincides more readily with the group of people sending remittances.

and 120,000)⁹. It is estimated that 95 percent of the Diaspora comes from Ngazidja (or *Grande Comore*), the largest of the three islands that make up the Union.

The migration of the Comorian Diaspora to France took place largely after decolonization, with legal migration peaking in the mid-1980s. The French Diaspora is mostly employed in unskilled jobs, although a small group of professionals has begun to emerge. The Comorian Diaspora has given rise to more than 500 associations. Most of these are so-called hometown associations, which have capacity to raise significant resources for community projects in the Comoros¹⁰.

The growth in remittances to the Comoros in the most recent period has been strong, although data sources differ in the rate of this increase as well as in estimates of overall levels. The IMF estimates an over three-fold increase in *net* private transfers between 1996 and 2001 (from KMF 4.6 billion to KMF 14.7 billion¹¹), with a steep increase from 1996 to 1998 (see figure 4).



The strong rise in remittance flows over the mid-1990s is likely to reflect both an increase in the size of the potential remittance pool and the earning capacity of the people making up that pool. After a decade in France the Diaspora would have attained greater job security, while at the same time the children of the first wave of immigrants would have started entering into the labor force (see Annex 2). Greater need for assistance in Comoros during the crisis period, accompanied by a decline in public services, as well as the aftermath of the devaluation of the Comorian Franc in 1994 also contributed to the sustained increases of the late 1990.

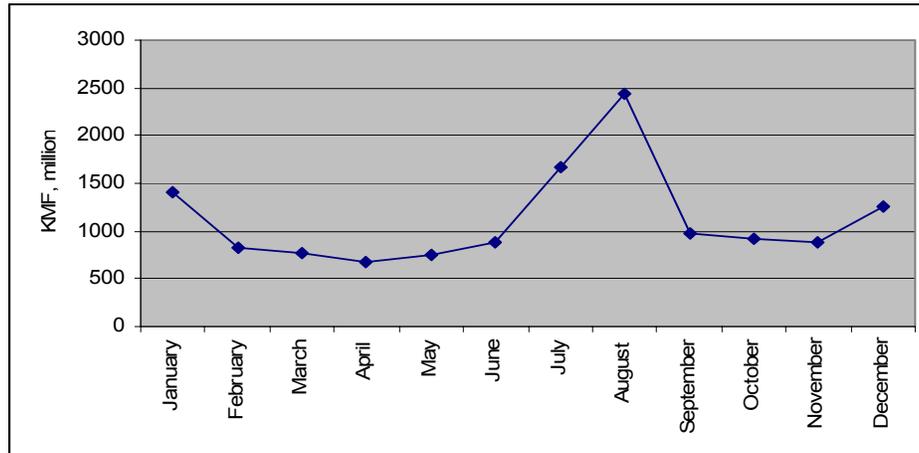
⁹ There are no official sources for the number and composition of the Comorian Diaspora. Analysis is necessarily qualitative and anecdotal.

¹⁰ For a more detailed description of the demographic profile of the Comorian Diaspora see Annex 2.

¹¹ This is equivalent to an increase from USD 12.1million to USD 26.3 million.

Remittance inflows are highly seasonal, peaking during the July to August period, which corresponds to the visits of the Comorian Diaspora (see Figure 5). The high proportion of remittances transferred by hand is one reason for the strong seasonal variation of remittance flows.

FIGURE 5: AVERAGE MONTHLY OVER-THE-COUNTER CURRENCY EXCHANGE, 1997 TO 2002



Source: BCC

The distribution of recorded remittance inflows between the three islands of the Union is highly unequal. Ngazidja Island receives over 90 percent of inflows recorded by Western Union offices in 2001 and 2002 (table 1). This is not unexpected, given that 95 per-cent of the Diaspora is estimated to originate from Ngazidja Island.

Although little can be said about unrecorded remittances, it is possible that the difference between total remittances (recorded and unrecorded) to Ngazidja and Anjouan is smaller than indicated in Table 1. The higher involvement of Anjouan in trade means that foreign currency is more likely to leave the island without going through official channels. Furthermore the isolation during the secession attempt has favored informal channels of remittances – mostly carried on the frequent boat connections with Mayotte. Anjouan is also the prime user of maritime radio channels for transfers: a dozen shipping companies offer this service for a commission but the amounts involved are small.

Table 1: Western Union transfers, by island, (KMF, million, percent of total)

	Ngazidja		Anjouan		Moheli		Total	
	inflow	Outflow	Inflow	outflow	inflow	outflow	inflow	Outflow
2001	2,861,913 (92.7 %)	-724,321 (75.4 %)	149,741 (4.9 %)	-192,893 (20.1 %)	74,700 (2.4 %)	-43,609 (4.5 %)	3,086,354 (100 %)	-960,823 (100 %)
2002	3,359,733 (91.1 %)	-914,203 (70.3 %)	240,348 (6.5 %)	-306,213 (23.5 %)	86,921 (2.4 %)	-80,332 (6.2 %)	3,687,002 (100 %)	-1,300,748 (100 %)

Comoros has only one commercial Bank, the BIC (*La Banque pour l'Industrie et le Commerce*, Bank for Industry and Trade), owned by the French BNP (*Banque Nationale de Paris*) since 1990. The BIC's main office is in Moroni, and it operates one permanent branch on Anjouan and offers temporary services on Moheli. The BCC also offers currency exchange facilities on Ngazidja and Anjouan. In order to encourage savings in rural areas and to provide small loans, a network of eight credit unions called MECK (*Mutuelle d'Epargne et de Cr dit ya Komor*, Saving and Credit Union of Comoros) has been set up.¹²

The weakness of the Comoros banking sector explains why informal transfer channels – in the form of cash carried by relatives, friends or acquaintances – account for approximately 80 percent of Comoros' remittances. Wire transfers through Western Union account for the remaining 20 per-cent. Other formal channels have existed, or continue to exist, but have seen little use. These include the transfer of remittances formally through the Bank for Industry and Trade (BIC), as well as through the accounts of the MECK held with the Comoros Central Bank (which in turn holds an account with the French Central Bank). An attempt by the BIC to provide banking services for the Comorian Diaspora, through the opening of a Paris office in conjunction with the BNP in 1992 was short-lived, due to insufficient demand.

The volume of transfers continues to grow despite the weakness of the Comoros banking facilities and the high costs as well as risks associated with transfers, but provision of cheap, fast and reliable means of transferring money ranks high among Diaspora demands. Several studies have been undertaken on the possibility of creating a 'Diaspora Bank' in France, or on the opening of a Comoros branch by another established French financial institution, but none of these have led to any concrete initiatives.

III. THE DETERMINANTS OF REMITTANCE FLOWS

Remittance flows depend on three factors: (i) the size of the Diaspora, (ii) the income of the Diaspora, and (iii) the willingness to remit. While the size and income of the Diaspora tend to be easier to measure, the actual decision to make transfers depends on a series of factors. Key determinants of the willingness to remit include the conditions in the home country and the host country, social and financial obligations to family and community when leaving the home country and the opportunity cost of those transfers.

SIZE AND COMPOSITION. The number of Comorians abroad, particularly of those in France, continues to grow, even though in recent years, French governments have restricted immigration, including through stricter surveillance of movements to Mayotte. The combination of demographic growth of the existing Comorian Diaspora and of the

¹² The MECKs are controlled by an executive body elected by its members. They currently operate under an exemption from the banking law. In 2003, a draft law that would charge the BCC with applying standard banking controls to MECKs was awaiting the election of the legislative assembly and a draft decree with the same purpose was still unsigned. Even once the law is promulgated, there will be no guarantees for savings held in a MECK should it go bankrupt.

reduction in numbers of new arrival leads to an increase of the relative proportion of the “third generation” French-born and educated Comorians, which is estimated to account for more than 60 percent of the Diaspora. A large share of the third generation has been born in the 1980s and is now entering the labour force.

INCOME. In addition to higher numbers, the Comorians newly entering the workforce have, on average, better paid jobs because of their higher levels of education compared to the first and second generation of Comorian migrants.

WILLINGNESS. As the disposable income of the Diaspora tends to increase, the willingness to remit a portion of this income becomes an even more important determinant. In theory, there are two reasons why members of the Diaspora remit:¹³

- (i) Social relationships and financial obligations (“endogenous migration approach”). Migrant families tend to have social or financial obligation towards family members and communities in the country of origin. In addition, many members of Diaspora communities want to be seen as remaining engaged in their home communities and sustaining a high social status in preparation for a potential return.
- (ii) Economic rate of return (“portfolio approach”). Diaspora communities are often in a good position to invest in their home country because their average incomes are higher and because they may be able to apply new business models they have acquired in their host country. As a result the remitter may receive a higher return on assets, provided the overall investment climate in the home country (including political and macroeconomic risk) is conducive.

While it is difficult to quantify the factors these two models describe for Comoros, the “portfolio approach” is currently of little relevance because, over the last 25 years, the incentive to invest in Comoros has been very low. From the early 1980s onwards, real per capita incomes have declined by 50 percent and investment amounted to only 11 percent of GDP in 2002.¹⁴

The “endogenous migration approach”, by contrast, appears to be highly relevant. Comorians abroad have maintained very strong ties to their families and communities at home. The nature of Comorian society and migration from this country make three factors prominent: (i) the repayment of debts incurred in financing migration, (ii) a payment to ensure continued membership of the extended family, such as the traditional social obligation to contribute to the wedding ceremony (*anda*, see below), the *hajj* or funerals of family members, and (iii) investment and preparations for an eventual return (building a house, supporting village projects).

If family ties are the key determinant in remittances flow to Comoros, the changing demography of the Comorian Diaspora in France becomes very significant for

¹³ See Elbadawi and Rocha (1992) for a theoretical discussion of these two approaches. Chami, Fullenkamp, Jahjah (2003) model the individual determinants of remittance flows and find a significant correlation with demographic and income variables.

¹⁴ For an update of Comoros economic environment, see World Bank 2003 and World Bank 2004.

future trends. The increasingly prominent economic and social role of the third generation, and their integration into French society, is likely to result in a weaker relationship to Comoros and a reduction in the willingness to remit, particularly if transfers are spent in an apparent wasteful manner. Members of the younger generation are reported already to show signs of ‘remittance fatigue’.

IV. THE USE AND IMPACT OF REMITTANCE FLOWS

The use of remittances in Comoros is similar to other countries. Consumption dominates, accounting for 70 to 90 per-cent of remittance expenditure (Sander and Maimbo, 2003) and only a small portion of remitted funds are channeled into savings and productive investment. The Household Survey planned for 2004/2005 will seek to establish precisely how remittances are spent.

The country’s national accounts help to understand the impact of remittances on consumption, and the impact on welfare that it implies. Between 1998 and 2002 total consumption is higher than total GDP, with private consumption averaging 89 percent of GDP (Table 2). The ability of Comorian residents to consume more than they produce is largely due to the remittance inflows, which constitute over 10 percent of disposable income. The demand generated by the inflow of remittances appears at first sight to be channeled towards imports, rather than non-tradable goods, which would account for both the extremely high negative trade balance, and low inflation. Put another way, remittance flows enable domestic residents to consume imported goods and services well in excess of their production of goods and services for export, while not generating an excessive current account deficit.

Table 2: Components of Gross National Income, per-cent GDP

	1996	1997	1998	1999	2000	2001	2002
Consumption	117.3	111.5	107.9	108.8	104.2	102.5	101.3
Government	19.0	17.6	15.7	14.6	13.3	16.3	19.3
Non-Government	98.3	93.9	92.2	94.1	90.9	86.2	82.1
Investment	5.8	13.4	14.7	11.9	10.3	10.7	11.0
Government	5.8	6.0	7.7	5.4	3.8	4.5	4.8
Non-Government	0.0	7.4	7.0	6.5	6.5	6.2	6.2
Net export of goods & non-factor services	-23.1	-24.9	-22.6	-20.7	-14.5	-13.2	-12.3
Exports of goods & non-factor services	18.3	18.1	11.9	13.2	15.0	15.9	15.8
Imports of goods & non-factor services	41.4	43.0	34.6	33.9	29.5	29.2	28.1
Net Factor Income	0.2	0.1	-0.2	0.1	0.2	1.0	0.2
Transfers	14.2	9.0	20.3	19.7	15.8	16.4	14.7
Private	5.2	---	12.5	12.7	11.6	12.0	11.3
Inflow	6.7	---	13.6	13.6	13.0	13.5	12.8
Outflow	-1.5	---	-1.1	-1.0	-1.4	-1.6	-1.5
Official	8.9	9.0	7.8	7.0	4.2	4.4	3.4
GNDI	114.3	109.1	120.1	119.8	115.9	117.4	114.9
Memo: Current account	-8.7	-15.8	-8.4	-6.4	-1.7	1.8	1.1

Source: IMF

As it is the case across much of the region, remittances spent on household consumption often represent much-needed expenditure on poverty-reducing items: nutrition, shelter, education, and health. In other countries, household survey data has been used to show the association between receipt of remittances and improved poverty-related outcomes among households (de Haan, 2000 for Zimbabwe; Lachaud, 1999, for Burkina Faso). The 2004 Household Survey should make a similar exercise for Comoros possible. The data quality of the 1995 Household Survey is not robust enough to run the necessary regressions for such an exercise, although it does suggest that remittances may play some part in explaining the difference in poverty levels between the islands of Anjouan and Ngazidja.¹⁵

However, a large part of expenditure of remittances on consumption in the Comoros is estimated to be for luxury and other goods, unrelated to poverty reduction. Much of this takes place through *anda* wedding ceremonies, which are estimated to account for over half of all expenditure of money remittances. *Anda* wedding ceremonies (or *grand marriage* in French) are a series of elaborate rituals that men of Ngazidja island are expected to perform, and which allow a family to accede to the superior caste of the Island's nobility. Status is acquired by spending more on these ceremonies than predecessors. Whereas emigration has made this ceremony accessible to a larger number of Comorians than in the past, it is also associated with an increase in the cost of the *anda* to between KMF 10 million and KMF 60 million (or between US\$ 20,000 and US\$ 60,000)¹⁶.

Pooling of remittances (both collective contributions raised by village associations in France and family remittances, including flows channeled through the *anda*) and domestically contributed resources for financing of community projects represent another important use of remittances, particularly on Ngazidja. Many villages have common funds (some have bank accounts), managed by the senior community members (See Box 1 for 2 examples of Diaspora financing of village projects).

¹⁵ The 1995 household survey established that 60.9 percent of Anjouanese were living below the poverty line versus 34.3 percent of people from Ngazidja. Ngazidja is estimated to receive over 90 percent of remittance flows (see Table 1).

¹⁶ For a detailed presentation of the *anda*, see Chouzour 1994. For a discussion of the *anda* in the context of migration, see Le Houerou, 1998.

Box 1: Examples of Diaspora financing of village projects

The example of Ivembeni

The town of Ivembeni has 3,200 inhabitants, with 1,000 living abroad, primarily in Paris. Most of the village infrastructure is financed by the Diaspora. Their funds have financed the tarring of the road, the connection of the town to the electrical grid and the building of a health post. The village nurse is paid by the patients. A large community hall was financed with local and Diaspora contributions and a pharmacy is currently being built. Of the ten classrooms in the village, two were built by the government (one in colonial times, one with World Bank funding). The others were funded by the Diaspora. Contributions for three more have been paid to the FADC project, although construction has not yet received the go-ahead. Much of the Diaspora money has financed the building of a large mosque, which is as yet unfinished. Two small enterprises were started by members of the Diaspora. One failed, while the other, which produces bricks, is still operating.

The example of Ouroveni

The town of Ouroveni has a population of 1,500, with 300 members living abroad, half in Madagascar and half in France (primarily in Marseilles). This dispersed Diaspora has only recently become organized and does not contribute to projects directly. Most of the village infrastructure was built by the very active village association, with perhaps 20 percent of the funds coming from the Diaspora. This is true for the village pharmacy, tarred roads (except for the main road), rural tracks, public places and the generator financed by one part of the village. Villagers also contributed to the cost of the poles required for the phone lines. Six mosques were built with village funds, water supply was financed by a Saudi organization and the two classrooms were built with the FADC project in 1992 and 1993. A private house is also used for teaching. There is no health post and no

Community contributions to projects carried out with the World Bank's social fund FADC (*Fonds d'Appui au Développement Communautaire*) are similarly financed by the Diaspora¹⁷. Schools, public and private, health posts, village pharmacies, secondary and rural roads, water supply, electricity lines and generators, sports fields, community halls, youth centers, libraries and mosques are all examples of projects financed by communities with financial contributions from donors and the Diaspora.

While a small portion of remittances to the Comoros does take the form of savings and investments, most of the savings and investments are in assets such as housing, land or jewelry as it is the case in most recipient countries. While such investment may increase individual wealth, it does not necessarily contribute to the overall productivity of the economy. The share of remittances invested in actual revenue-generating activities is estimated to be very small, and comprises primarily the purchase of vehicles to use as taxis and imported goods for resale. The return of members of the more entrepreneurial second and third generation Diaspora may lead to the greater use of remittances for revenue-generating operations.

In sum, there is clear evidence at both a macro and micro level that remittance flows play an important role in supporting and supplementing consumption. However,

¹⁷ This may explain why it is much easier to raise these matching funds in Ngazidja and Moheli than in Anjouan, which receives a proportionally smaller share of remittance flows.

the long-term effect of remittances on growth and therefore long-term poverty reduction is less clear, both theoretically and in the case of the Comoros. Keynesian approaches to the economic effects of remittance flows have tended to stress the positive multiplier effects of additional consumption generated by remittances. Supply side approaches stress negative impacts on labor force participation or other adverse incentives giving rise to moral hazard¹⁸. Other studies raise the prospect of a kind of ‘remittance Dutch disease’, in which the poor are affected both by inflation induced by demand for non-tradable goods and real appreciation that worsens the welfare of families not receiving remittances. ‘Remittance dependency’ and continued migration of the productive population are also raised as potential negative impacts of remittance flows¹⁹.

The *anda* ceremony is a particularity of the Comoros, and – to the extent that it serves as a primary destination of remittances – introduces a number of features into the economic and distributional effects of these flows, with long-term growth and poverty implications. Two issues arise in particular: First, while *anda* celebrations may encourage conspicuous consumption, they also serve as an institutionalized form of remittance redistribution, both to individuals who participate in the ceremonies, and to the community as a whole, through contributions to community funds and investments²⁰. Second, the *anda* celebrations may bring participants into intricate mechanism of obligations and exchanges that demand considerable financial contributions, discourage wealth accumulation and often lead to periods of extended indebtedness for participants.

The frequent use of remittances to substitute for public investment through village projects points to the role of the state and the quality and coordination of investment. Remittances clearly play an important role in financing activities in areas where the state has failed. However, the continuation of autonomous investment also weakens the capacity of the state to intervene where it should be taking the lead – in the provision of public goods, particularly in the poorest parts of the country which do not benefit from remittances. At the same time, remittance-funded investment is often highly inefficient, poorly managed and unsustainable. These investments are rarely coordinated with activities in the vicinity leading to replication of similar investments in small geographical areas. This is accompanied by lack of vertical co-ordination with government programs, so that, for instance, hospitals and schools may be built with private funds with no provision in the government’s plans to staff these facilities.

¹⁸ From the Keynesian perspective, a number of studies, using input-output tables or simple structural models, find positive remittance multiplier effects, arising from additional consumption of the kind seen in the Comoros (Stahl and Habib, 1989, for Bangladesh; Glytsos, 1993, for Greece; Nishat and Bilgrami, 1991, for Pakistan; Alderman and Taylor, 1990, for Mexico). A number of studies that look at the supply-side effects of remittances have found a negative impact on labor force participation (Kozel and Alderman, 1990, for Pakistan; Itzigsohn, 1995, for the Caribbean Basin cities). Chami, Fullenkamp and Jahjah (2003), on the other hand, develop a framework to analyze determinants, use and economic impact of remittances. They apply this model to aggregate data from the World Bank’s GDI database and find that altruistically motivated remittances intended to compensate recipients for poor economic outcomes also create incentives that lead to moral hazard problems, which can be severe enough to reduce economic activity.

¹⁹ See Buch et al (2002) for a summary and references.

²⁰ In Fomboni, for example, the nobility has decreed that at each *anda* KMF 250,000 has to be paid to the fund for village projects. Similar decrees have been passed in Moroni and Ivembeni.

V. CONCLUSION AND POLICY IMPLICATIONS

Remittances define the economy and society of Comoros. They are sustaining consumption levels which have been above 100 percent of GDP from the mid-nineties onwards. Remittances also play a crucial role in the balance of payments, enabling Comoros to run a high trade deficit. With this high level of remittances, the incentive to invest in the local economy, or to work and produce in the Comoros, is limited. Families focus their wealth accumulation strategies on facilitating out-migration of family members with the expectation of transfers in return.

While remittances create disincentives for production in Comoros and therefore obstacles for economic development, the Diaspora also has the potential to become an agent for change. As the principal donor of Comoros, the Diaspora is starting to voice its own demands for transparency, accountability and, to a lesser extent, effectiveness in the spending of Diaspora funds. The transition to the third generation of the Diaspora will offer an opportunity for Comoros, because this younger generation of Comorians in France is more likely to demand a more efficient use of their funds. Closer and formalized government-Diaspora dialogue – integrated into the PRSP-process – could be used as one means of ensuring greater coordination of remittance-funded investment and government planning.

Given the strong localization of remittance investments, regional and national governments, supported by donors, could play a critical role in improved coordination and cooperation between villages. Project design and implementation could already be improved if such projects were based on mapping and analysis of needs above the village level. Support structures, capacity-building and services for community projects could also be harmonized further, adapted to the needs of the Diaspora, and publicized. Providing village and Diaspora organizations with information on government plans, rules and regulations, different project designs, implementation experiences, standard costs, best practices, and avenues for funding would also lead to an improvement in how these projects are being carried out in the villages. The fact that major donors are in the process of reviewing their assistance to Comoros may provide an opportunity for the government and the donors to review the way their programs work together and with community initiatives.

Comorians put a high premium on creating a cheap, efficient and formal channel through which remittances may flow from the Diaspora to the Comoros. This would both allow for the better understanding of remittance flows, and increase the ease of access to, and possibly level of, remittance receipts. It would also allow for a smoothing of the highly seasonal flow of foreign resources into the country. The MECK, which can be accessed by the Diaspora through the French Central Bank and in a number of locations in the Comoros, could be explored as one means of developing such a channel.

Channeling remittances through existing bank structures might bring the added advantage of increasing the portion of remittances used for productive investment, and encouraging savings. Donors can also support the formalization and investment

orientation of remittances if they would allow for direct contributions of the Diaspora. Given that the Diaspora largely finances cash contributions to investments, the World Bank's Community Development Fund (CDF) would benefit if the Diaspora could pay projects contributions directly from abroad, such as a project account located in France.

Even though remittances are a defining factor of the Comorian economy, the well-being of the population will depend on the resolution of Comoros' long standing governance crisis. The degree to which Comoros will be able to avoid negative long-term effects from remittance inflows will depend far more on the nature of the domestic economy, and the general policy environment, than any policies specifically related to remittances. With better governance establishing economic stability, the rule of law and a predictable public finance architecture, remittances could also be most effectively harnessed and pave the way for other foreign investment.

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ANNEX 1: LDB, IMF AND BCC DATA SETS

A. MAJOR RECIPIENTS OF REMITTANCES (LDB)

Country	Remittances % GDP	Remittances (USD mil)	Remittances / capita	Remittances, % merchandise exports
Eritrea	21.9	161	35.9	551.0
Jordan	20.2	1,993	376.8	71.9
Nepal	14.8	866	35.7	110.7
El Salvador	14.4	2,069	323.2	152.4
Tajikistan	14.4	187	29.3	24.2
Yugoslavia, FR (Serbia/Montenegro)	14.1	2,707	273.0	89.9
Cape Verde	13.9	115	211.0	212.9
Dominican Republic	13.4	2,133	299.4	70.1
Nicaragua	12.4	507	94.8	85.1
Honduras	12.2	849	121.4	60.8
Yemen, Rep.	12.0	1,302	67.4	42.7
Comoros	11.3	36	50.7	253.5
Gambia, The	10.2	40	29.8	26.9
Bosnia and Herzegovina	8.0	560	118.1	42.2
Guatemala	7.9	1,942	152.1	69.7
Morocco	7.6	3,383	102.0	41.4
Sri Lanka	7.4	1,377	70.0	26.6
Pakistan	6.2	4,237	27.7	38.9
Bangladesh	5.9	3,062	22.5	46.8
Ecuador	5.6	1,498	106.8	27.9
Lebanon	5.1	977	217.7	100.6
Tunisia	4.7	1,147	109.6	14.9
Armenia	3.9	110	35.9	14.2
Egypt, Arab Rep.	3.6	2,945	49.8	35.9
Mauritania	3.3	37	13.4	9.6
Mauritius	3.2	166	129.6	10.6
Macedonia, FYR	3.1	148	62.6	10.9
Kyrgyz Republic	3.0	52	10.2	8.8
Senegal	3.0	194	16.7	18.2
Benin	2.9	101	12.9	19.7
India	2.3	13,600	12.1	22.8
Syrian Arab Republic	2.2	483	27.1	8.6
Mexico	2.0	12,759	129.6	7.8
Paraguay	1.9	108	20.4	4.5
Togo	1.8	32	5.8	7.9
Algeria	1.7	1,090	32.8	4.5
Jamaica	1.6	126	48.9	9.2
Peru	1.4	830	30.3	9.6
Malawi	1.3	23	2.3	5.0
Slovak Republic	1.3	410	63.6	1.9
Costa Rica	1.1	196	50.4	3.3
China	1.1	15,670	12.2	3.7
Burkina Faso	1.0	41	2.9	12.6

Thailand	1.0	1,398	21.8	1.9
Turkey	1.0	2,321	27.4	4.6
Azerbaijan	0.9	65	7.9	2.6
Mongolia	0.8	10	4.0	1.7
Niger	0.7	20	1.5	6.8
Colombia	0.7	530	12.9	4.0
Namibia	0.7	32	12.2	2.3
Bolivia	0.7	53	6.2	3.6
Indonesia	0.7	1,385	5.6	2.3
Ethiopia	0.6	38	0.5	7.9
Uruguay	0.5	55	19.5	2.6
Lesotho	0.5	5	2.3	1.1
Ghana	0.3	22	0.9	0.7
Kazakhstan	0.3	84	5.4	0.7
Ukraine	0.3	140	2.8	0.7
Lithuania	0.3	46	11.6	0.6
Iran, Islamic Rep.	0.2	340	4.9	1.3
Philippines	0.2	196	2.4	0.6
Panama	0.2	23	7.8	1.8
Brazil	0.1	293	1.7	0.4

**B. BCC: GROSS OVER-THE-COUNTER CURRENCY EXCHANGE 1997-2002,
KMF MILLION**

	1997	1998	1999	2000	2001	2002
January	772	721	832	1,053	1,605	197
February	758	668	727	613	740	256
March	506	302	387	661	1,046	370
April	529	225	580	534	874	345
May	388	397	599	672	1,001	373
June	507	543	737	652	882	692
July	976	995	1,452	1,472	1,965	2,628
August	1,478	1,766	2,577	2,381	3,127	2,380
September	744	826	1,168	803	780	270
October	525	446	584	1,109	922	671
November	464	760	956	897	669	454
December	684	633	837	978	1,712	1,094
Total	8,331	8,282	11,436	11,825	15,323	12,457

* Exchanges of French Francs to the value of KMF 2,727, made up to 29 March 2002, are distinguished from Euro currency exchanges in 2002

C. IMF: COMPONENTS OF GNDI, KMF MILLION

	1996	1997	1998	1999	2000	2001	2002
Consumption	103,707	103,536	102,939	111,952	113,672	123,720	130,962
Government	16,800	16,360	14,971	15,072	14,495	19,719	24,891
Non-Government	86,908	87,176	87,968	96,880	99,177	104,001	106,071
Investment	5,115	12,414	14,048	12,256	11,257	12,899	14,160
Government	5,115	5,564	7,390	5,531	4,157	5,373	6,182
Non-Government	0	6,850	6,658	6,725	7,100	7,526	7,978
Net export of goods & non-factor services	-20,390	-23,101	-21,596	-21,281	-15,793	-15,942	-15,883
Exports of goods & non-factor services	16,204	16,845	11,394	13,576	16,382	19,236	20,474
Imports of goods & non-factor services	36,594	39,946	32,990	34,857	32,175	35,179	36,357
Net Factor Income	140	102	-163	93	178	1,235	212
Transfers	12,524	8,362	19,351	20,254	17,219	19,762	19,003
Private	4,626	---	11,946	13,039	12,680	14,430	14,574
inflow	5,938	---	13,000	14,040	14,180	16,339	16,502
outflow	-1,312	---	-1,054	-1,001	-1,500	-1,909	-1,928
Official	7,898	8,362	7,405	7,216	4,539	5,332	4,429
GNDI	101,095	101,313	114,579	123,274	126,533	141,673	148,454
Memo: Current account	-7,727	-14,637	-8,051	-6,619	-1,888	2,181	1,426

ANNEX 2: THE COMORAN DIASPORA

HISTORY AND LOCATION

Comorian contacts with the African East Coast and Madagascar date from the beginning of the settlement of the Comoros. Both Zanzibar and Majunga retain important Comorian communities. The duty of the pilgrimage to Mecca put Arabia on the map, and French colonization, during which Comoros was appended to Madagascar, increased exchange with Madagascar. Comorians subsequently settled on other Indian Ocean islands, particularly Reunion.

Significant numbers of Comorians arrived in metropolitan France only as soldiers during the world wars. Comorian sailors first settled in the ports – Dunkirk, Marseilles, Le Havre, and Nantes – before establishing their presence in the interior, in particular Lyons and Paris. Given that there is no university in Comoros, Comorian students followed similar patterns, mostly going to Madagascar, Reunion and Marseilles and Aix-en-Provence.

The difficult decolonization of Comoros – which left the island of Mayotte under French control – has been a decisive factor in the Comorian emigration to France. For a decade, French authorities encouraged immigration of all Comorians and allowed for family reunions, making the first half of the eighties a peak period for legal migration to France. Once immigration was discouraged, Mayotte continued to be a transit point, then often involving false documents. Today, Comorians from the independent islands face tough scrutiny in Mayotte and several thousands who try to transit illegally, often risking their lives, are sent back to Comoros every year.

The increasing difficulty of emigration to France is contributing to geographic fragmentation of the Diaspora. This is particularly the case for Comorian students, many of whom now apply to universities in other countries, often in the Middle East. In addition to the Indian Ocean, East Africa, French-speaking Africa, metropolitan France and the Middle East, Comorians now also migrate elsewhere in Europe – to Germany, Belgium, England – as well as to the US and Canada. The community in France remains by far the largest and although increasingly mobile, remains mostly concentrated around the five poles of Paris, Marseilles/Aix, Lyons, Nice, and Dunkirk.

SIZE

The total number of people of Comorian origin living outside the Union of Comoros is estimated to lie between 150,000 and 200,000 and growing. That represents between 25 and 30 per-cent of the total Comorian population and a much larger share in terms of active and educated population. To highlight its importance, the Diaspora is often referred to as the ‘fifth island’ of the Comoros.

The largest part of the Diaspora is in France, but its exact size is very difficult to determine. Bearing in mind that for Comorians, the concept of being *Comorian* is a question of culture and Comorian ancestry, not citizenship, Comorians in France can be

divided into three broad categories by their status of residence: (i) illegal immigrants, (ii) legal foreign residents, and (iii) Comorians with French citizenship by birth.

- *Illegal immigrants.* A large portion of Comorian citizens in France are illegal immigrants, either without documentation (*sans papiers*) or with false documents. Comorians without documents are estimated to number in the thousands - mostly students who overstay their visas and a few fresh immigrants. Comorians rarely stay in this situation for long. Thanks to well-established networks, most obtain false documents within a few weeks. The number of Comorians with false documents is more difficult to estimate, but is expected to lie in the several tens of thousands. Many, in time, manage to regularize their stay in France and become legal residents.
- *Legal residents of foreign origin.* This group comprises those Comorians with legal status, and those who have acquired French citizenship. Official figures are available for both categories: In 1999, the INSEE²¹ counted 6,397 legal foreign residents who were born in Comoros and 8,313 French citizens who had been Comorian before becoming French.
- *Comorians with French citizenship by birth.* This fast-growing group of at least fifty thousand is generally believed to be the largest group within the Diaspora.

With no statistics available on two major components of the Diaspora in France, its total size is open to speculation. Based on the assumption of between 60,000 and 70,000 Comorians in Marseilles and a similar number in the Paris region, the number of 150,000 is frequently quoted. However, some believe that these numbers are the result of exaggerations by the Diaspora itself and that the real figure is closer to 85,000, with about 30,000 concentrated in Marseilles and 40,000 spread over the Paris region. For metropolitan France, a number of between 100,000 and 120,000 people of Comorian origin can be most safely assumed.

Estimates of the number of people of Comorian origin on Reunion Island range from several tens of thousands to 50,000, with between 10,000 and 30,000 Comorians from the islands of the Union in Mayotte. In addition, there are communities of several thousand Comorians in Madagascar, about a thousand of whom are students. There are also several hundred Comorian students in about a dozen countries of French-speaking Africa and the Arab world, including Egypt with over a thousand students, Morocco, Syria, Sudan, Senegal and Niger.

ORIGIN

The different islands are not equally represented amongst the Diaspora. The vast majority – some say 95 percent²² - of the Comorian Diaspora originates from Ngazidja, where virtually every village and town has migrants in France. However, migration is not

²¹ INSEE, *Recensement de la population*, 1999

²² Vivier, 1996, quoted in *Hommes & Migrations*, 1998

geographically even and some towns are more strongly represented among the Diaspora than others. Fomboni, Ivembeni, Iconi and Ounkazi are said to have the largest share of their population in France.

In Anjouan migration is a much more limited and a mostly urban phenomenon. Migrants generally come from one of the four major towns – Mutsamudu, Domoni, Ouani or Sima – and tend to stay in the Indian Ocean region. The majority of Anjouanese outside the Union are in Mayotte, with smaller groups in Reunion, France and Madagascar. Anjouanese live less as a community in France, and their geographic distribution is less concentrated, with a few dozen in all major cities and several hundreds in Marseilles and Paris.

MOTIVATIONS FOR EMIGRATION

When submitting Comorian migration to an analysis of push and pull factors, it is important to bear in mind its epic aspect: The Comorian migrant is first and foremost an emissary of his family, and its deliverance is his mission. In foreign lands he struggles shoulder to shoulder with brethren sharing his fate. Those who make the journey home return as heroes.

For many Comorians, emigration is both the only way of obtaining a university degree, and the most realistic strategy to accumulate wealth. Whereas the first generation of migrants is said to have sought to achieve specific goals through migration – in most cases to save enough for the *anda*, construction of houses, followed by return – migration today is associated with escape from the hopelessness of day-to-day existence in the Comoros. The aura of success cultivated by the Diaspora makes life abroad appear attractive. However, the journey is expensive and can be risky. Those families who do not have a member in France already sell land or jewelry to finance their family member's trip, a debt that the migrant, if he makes it, is expected to pay back.

France is the preferred destination for most migrants because of a relatively high level of salaries, benefits and social services; because of the relative ease of settling in a country where there are already Comorian communities; the possibility of marrying a Comorian with French citizenship and thereby avoiding expulsion; and the existence of other existing networks to obtain necessary documents. There are also historical, cultural, political and intellectual links between the Comoros and France, nurtured by Comorians studying and training in France, by the media, and by the continued French presence in Comoros.

EDUCATION, OCCUPATION AND LIVING CONDITIONS

The Comorian Diaspora in France roughly falls into three age groups, referred to as 'generations' by the Diaspora itself:

- The first generation consists of people who migrated in the first decade after independence – generally adult men, firmly rooted in Comorian culture. They went to France expecting to stay only a few years, but brought over their wives,

children and nephews in the years when family reunion was favored by the French government. Many of these men are now reaching retirement age.

- The second generation consists of those who were brought over at a young age and often underwent part of their education in Comoros and part in France. This group is often seen as mediating between the two cultures and two other generations. It now forms the core of the workforce and is most active in Diaspora organizations.
- The third generation of the Diaspora consists of those of Comorian origin who were born and educated in France. This has had an important impact on its expectations and its perception of Comoros, Comorian culture, religion and gender relations. The oldest members of the third generation – aged around 25 – have started to move into the workforce.

The best estimates assume that the third generation represents between 60 per-cent and 70 per-cent of the Diaspora, whereas the first generation is unlikely to exceed 10 per-cent today.

The first generation of Comorian immigrants in France typically had less than secondary education – many were illiterate – and took unskilled jobs, commonly in catering and as cleaners. Comorians of southeastern France tend to work in restaurant kitchens of beach and ski resorts. For those in Paris and Dunkirk, the city councils are the biggest employers. Meager incomes are often supplemented by social security benefits, particularly for those who have French citizenship. New arrivals still tend to fit into this pattern, although the restrictive immigration policy and the crackdown on informal work push some of those who nevertheless make it to France into illegal activities. This is of great concern to the community, jealous of its reputation for staying out of trouble. Indeed, for most Comorians, being deported from France would signify failure and humiliation.

For many first generation immigrants, the formal education of their children did not rank high in the list of priorities. Nevertheless, subsequent generations have become increasingly educated, skilled and able to compete for well-paid jobs, particularly in the case of women. With the change of generation, interest and expectations at the center of lives are also shifting from Comoros to France. One of the results is that the Diaspora invests more in education and now has a handful of professionals – doctors, lawyers, lecturers – and successful business people.

Nevertheless, the majority of Diaspora members are workers and their living conditions are grim. Most limit themselves to essential expenses and live in low-rent or social housing in satellite towns in Marseille and around Paris and Lyons, often with four or more people sharing rooms. This is the outcome partly of low income, partly of the fact that many believe that they will return (so that their situation is not permanent), and partly due to the large share of income sent to Comoros. Those who work illegally live in

fear of arrest and expulsion. Precarious living conditions and language barriers also lead to relatively poor health and depression, particularly among women.

For people from Anjouan, migration is often a less daunting experience. They have the reputation of being able to integrate themselves easily in their host communities and to live according to the local rather than the Comorian way of life. Anjouanese have less social obligations at home, often do not think of going back to Comoros and therefore invest more in their place of residence than in Comoros.

INSTITUTIONAL ORGANIZATION

Although the Comorian Diaspora forms a coherent community in France, it is split by numerous fault lines: according to place of origin, place of residence, age group and generation, education as well as religious sentiment. Comorians in France have created more than five hundred associations, although many of them are no longer active. There is no comprehensive list of associations, but the online service, *Mwezinet*, features a list of over eighty on its website²³. The majority of associations are informal, but several hundred are registered under the French 1901 law on non-profit organizations, often in order to apply for financial support from official French sources.

Comorian Diaspora associations can be classified in three broad types: Political / second-tier associations, life-improvement associations and hometown associations. There seem to be no professional associations. Many associations bridge two or all three types, while some change emphasis over time. Most are extremely small and rise, change and fall with the fortunes of one individual or a small group. At any one time, there are well under a hundred individuals who are really active on the scene of Diaspora associations.

The first association of Comorians in France was the Association of Students and Interns from the Comoros (*Association des stagiaires et étudiants des Comores*, ASEC), which demonstrated strong left wing tendencies in the late 1960s. Many larger and second-tier associations remain political, and are deeply critical of the Comorian authorities. Although Diaspora leaders do not necessarily have political ambitions, a number of the organizations serve as vehicles for self-promotion, creating suspicions between Comorian politicians and Diaspora leaders.

The level of politicization and the diversity of the Comorian Diaspora in France have made creating comprehensive umbrella organizations difficult. There are no less than a dozen associations that have the aim of creating a federation of Diaspora associations but none has yet achieved overall representation (a number of these organizations are presented in Box 2.)

²³ <http://www.comores-online.com/mwezinet/associations/liste.htm>. Another list can be found on <http://perso.wanadoo.fr/masiwanet/MasiwaNet/Associations/listassoc.html>

Box 2: Diaspora umbrella organizations

The following presents some Diaspora organizations that have a broader base than most.

- The *Majlisseurs*, a group which coordinates the organization meetings, or *majlis*, is one of the Diaspora's less formal associations, but to date the only one that effectively involves the whole Diaspora without its tradition-based authority being contested. Its area of responsibility is limited, although it has recently been asked to deal with new issues, notably that of support to Comorian students in Kuwait.
- The DIASCOM (Comorian Diaspora, *Diaspora Comorienne*) is one of the more successful self-proclaimed federations of Diaspora associations. It was created in Paris in 2000 to provide a light-handed coordination of Diaspora activities by bringing relevant associations together. Forty-eight associations have signed up to its charter so far and the DIASCOM maintains regular contact with the Comorian authorities.
- The Marseilles-based FECOM (Federation of Comorian Associations in France, or *Fédération des associations de Comoriens en France*) is in many ways the opposite of the DIASCOM, having been created in a bottom-up manner in 1990 by the joining of forces of different associations in Marseille, initially to face administrative challenges. The FECOM is a grouping of 23 associations but also runs its own programs, including a support network for associations and one for high school students.
- The ANIF (Association of the Itsandra region in France, or *Association N'gome Itsandra en France*) has achieved the rare feat of federating associations of various types from one region in such a manner that it can claim to be representative of Itsandra. It includes traditional leaders and has created a number of councils to deal with the different problems faced by the region's Diaspora.
- The CCF (*Conseil des Comoriens en France*) claims to have around a thousand members, among which a census is currently underway. With its envisaged completion in 2004, the census may provide a detailed demographic database on a section of the Comorian Diaspora.

Another type of organizations comprises the life-improvement associations (*association de quartier*), which sprang up in response to needs of the Comorian community in France. These are based on the migrant's place of residence and generally help with integration of new arrivals, schooling for children, religious education, legal assistance, repatriation of bodies and cultural activities such as festivals. Such associations often bridge village, regional and even inter-island differences.

By far the most common type of organization is that of the hometown associations (*association de village*), based on village of origin, and transplanting intra-village solidarities to the new country of residence. Hundreds are registered in France, but many more of these are informal, even temporary. Hometown associations allow the Diaspora to continue participating in village affairs and are thus the organizations that maintain the strongest links with the Comoros themselves. When villages decide to carry out community projects, their hometown associations are used to request financial contributions, and increasingly to collect and channel the funds themselves. Many are very capable fund-raisers, collecting money through solicited contributions, or the organization of events. As the first generation of migrants grows older, dances are

increasingly replaced by *majlis* – a religious gathering modeled on the celebrations held on the Prophet Muhammad’s birthday. A single event can raise over 10,000 euros.

Although the initiative for projects generally comes from the village in Comoros, and the use of Diaspora skills and expertise in project design and implementation is still quite rare, hometown associations play an increasingly active role.

INFORMATION AND COMMUNICATION

Given the financial power of the Diaspora, Diaspora members abroad often act as heads of households and are involved in taking major decisions, including how to vote. Communication within families is thus frequent and the Diaspora is well informed of conditions, events and projects in the home village. This knowledge is shared within hometown associations, where communication through visits, letters and phone calls may be supplemented by the sending of videotapes. A small group of people is starting to use email and internet.

Contacts and communication at higher levels, notably between Diaspora organizations and authorities, are also marked by the informal and personal level of exchanges. The Ministry of Foreign Affairs is formally responsible for dialogue with the Diaspora. Although numerous meetings have been held during official visits, there are few concrete results and no institutionalized dialogue can be said to exist. The Comorian embassy in France has neither the staff, nor the financial support to act as a channel of information and communication between the government and the Diaspora. This means that the Diaspora is often poorly informed when it comes to government plans, facilities and programs or interventions by donors. The fact that there is no permanent dialogue at this level also contributes to the confrontational nature of meetings between the two sides.

I’M COMING AND DIASPORA DEMANDS

Living conditions of the Diaspora abroad contrast sharply with their return during the French summer holidays, when from June to August, Diaspora members visit their family in Comoros. The arrival of the Diaspora is hardly facilitated. Air transport links have become worse over the years, forcing Diaspora members to travel via third countries, often paying over a thousand euros for a ticket. Once arrived, most have difficulty obtaining customs clearance for the goods they bring with them and many deplore the absence of special facilities for their arrival and stay. Furthermore, as the period of their visits makes consumption and construction peak, supply bottlenecks mean many goods become very expensive or unavailable. Finding solutions to these problems figures among the demands the Diaspora has put forward to the authorities over the years, with little response to date.

The return of the Diaspora is the source of some conflict: Many locals resent the display of affluence of the returning Diaspora, disparagingly called *je-viens* (I’m coming), in terms of handing over money, goods and participation in large ceremonies. Many Diaspora members in turn report feeling abused: Prices rise, customers are cheated

and the money left behind – usually for construction projects – is sometimes used for other purposes.

As the second and third generations of the Diaspora become more prominent, the gulf between Comorians in Comoros and those in France is widening. Fewer of the migrants owe their life abroad to family who stayed behind, have close links with family in their villages, or are interested in spending their holidays in Comoros. Whereas Comorians at home resent being treated like inferiors, those visiting complain of being treated like foreigners, and many third generation migrants lose interest in their country of origin altogether. These problems are giving rise among sections of the Comorian society to increasing fears of a sharp decrease in remittances.

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