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Remittances and National Development in Kenya

Overview:

The period from 2015 to 2025 has also witnessed significant migration. Kenya has developed appropriate policies namely Kenya Foreign Policy of 2023 and Kenya Diaspora Policy of 2025. Majority of Kenyan emigrants move to other East African Countries, Arabian Gulf and United States of America. Remittances increased from three (3) million USD in 2020 to approximately five (5) million USD in 2024. Promoting mobile money, developing tailored financial products, and reduce remittance costs helps in tapping remittances. There should be full implementation of the legal and policy frameworks to properly manage migration and related issues. Migration data management should be improved and regional cooperation should be fostered.

Background:

The period from 2015 to 2025 has also witnessed significant migration. Globally, **Sustainable Development Goal (SDG) 10** on reduced inequalities aims to facilitate orderly, safe, regular, and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.

The **Kenya Foreign Policy of 2023** focuses on promoting the rights and welfare of Kenyans abroad, facilitating the diaspora's contribution to national development, and fostering international cooperation on migration issues.

Equally, the **Kenya Diaspora Policy of 2025** which focuses on engaging Kenyan diaspora communities abroad for national development by recognising the contributions and rights of Kenyan migrants abroad, while also addressing their vulnerabilities and needs.

Key Findings:

The EAC is a preferred region of first destination followed by the Arabian Gulf, rest of Africa, United States of America, and rest of Europe as shown in *Figure 1*.

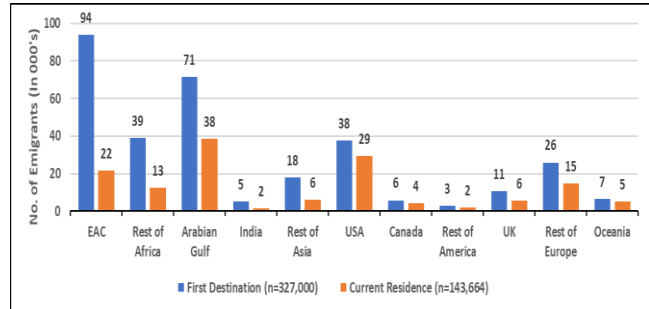


Figure 1: Emigrants from Kenya by First Destination and Current Residence, 2019
Source: 2019 KPHC Analytical Report on Migration, Vol. VIII

Some of the challenges associated with emigration include economic strain and hardship; journey risks; emotional and psychological distress and brain drain; and lack of timely data. Nonetheless, emigration provides opportunities such as improved economic prospects; education, innovation and entrepreneurship.

Remittances from Kenyans abroad has been growing and the government has recognised its importance to the country's growth and development. They also provide livelihoods to vulnerable households - food, education, healthcare and housing.

Remittances increased from three (3) million USD in 2020 to approximately five (5) million USD in 2024 (*Figure 2*). America was the largest source of cash remittances to Kenya by those in

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diaspora, followed by Europe, Asia and Africa. There is an opportunity to be harnessed in marshalling the Kenyan diaspora within the continent to support the country.

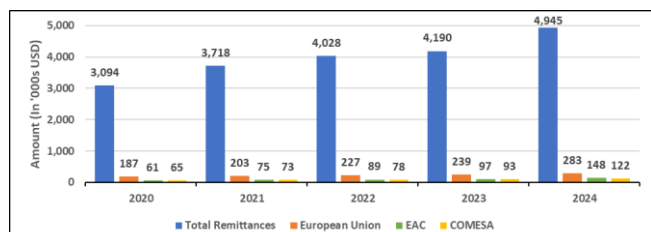


Figure 2: Trend in Remittances from Kenyans in Diaspora by Total and Economic Block.
Source: Central Bank of Kenya (CBK) Dataset.

Implications:

Failure to manage international migration will result in:

- Increased financial exploitation of emigrants.
- Lack of targeted interventions and integration of the diaspora into national development.
- Increased violations faced by workers in destinations like the Middle East.

Recommendations:

Central Bank

1. Promote mobile money, develop tailored financial products and reduce remittance costs.
2. Help promote shifting flows from consumption to productive assets.

National Coordination Mechanism on Migration (NCM)

1. Fully implement the legal and policy frameworks to properly manage migration and related issues.
2. Improve migration data management.
3. Foster regional cooperation.

Conclusion:

Managing international migration with particular focus on remittances is imperative given the diaspora's contribution to national development.

References

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This Policy Brief is based on the Kenya Population Situational Analysis Report 2025.

Collaborating Organizations: National Council for Population and Development (NCPD), Population Studies and Research Institute (PSRI) and United Nations Population Fund (UNFPA).

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NCPD is a semi-autonomous government agency that formulates and promotes population policy and coordinates related activities for sustainable development in Kenya.

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