

Digital Technologies and Food Remitting by Zimbabwean Migrants in South Africa

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Executive Summary

The COVID-19 pandemic significantly impacted traditional remittance channels, particularly for Zimbabwean migrants in South Africa who relied on informal networks to send food and other essential goods back home. The closure of borders, lockdowns, and mobility restrictions disrupted these informal networks, accelerating the adoption of digital platforms for food remittances. This policy brief explores the role of emerging digital technologies such as mobile money apps and food remittance platforms in facilitating cross-border food transfers between Zimbabwean migrants in Cape Town and their families in Zimbabwe during the early stages of the pandemic. The brief examines how platforms like Mukuru and Malaicha emerged as vital tools for maintaining food security among recipient households in Zimbabwe, where the economic impact of the pandemic was exacerbated by pre-existing instability. It also discusses the benefits and challenges of these digital remittance platforms and offers policy recommendations to enhance their effectiveness and accessibility.



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Introduction

Migrant remittances have long played a critical role in supporting families and communities in countries of origin. For Zimbabwean migrants in South Africa, sending remittances—both cash and in-kind food transfers—is an essential part of their livelihood strategies, particularly given the ongoing economic crises in Zimbabwe. Before the COVID-19 pandemic, informal remittance channels, such as using private transport carriers (malayishas) to send goods across borders, were the most common method used by Zimbabwean migrants in South Africa.

However, the onset of the pandemic introduced unprecedented disruptions to these traditional channels. Border closures, travel restrictions, and lockdowns made it nearly impossible for informal food remittance networks to function. In response, Zimbabwean migrants began adopting digital platforms to continue supporting their families, with mobile money and food remittance apps becoming crucial tools for cross-border transfers.

This policy brief explores the emergence of digital platforms as a key solution for food remittances during the pandemic, their role in enhancing food security for Zimbabwean households, and the opportunities and challenges these platforms present for migrant communities.

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Key Challenges

1. Disruption of Informal Remittance Channels

Before the pandemic, the majority of Zimbabwean migrants in South Africa relied on informal networks for sending food and goods back home. These channels typically involved using transport operators or personal acquaintances to carry goods across the South Africa-Zimbabwe border. The informal nature of these networks allowed for flexibility and reduced costs, but they also lacked formal regulation and security.

With the onset of COVID-19, border closures and travel restrictions effectively shut down these informal remittance channels. As a result, Zimbabwean families dependent on food remittances from South Africa faced severe shortages of basic necessities. The inability to send food remittances threatened the food security of many households in Zimbabwe, where the economic situation was already dire, with high inflation, unemployment, and limited access to food supplies.

2. Adoption of Digital Platforms for Food Remittances

In response to the disruption of informal networks, Zimbabwean migrants began turning to digital platforms to send food and essential goods back home. Platforms like Mukuru and Malaicha became critical lifelines, offering services that allowed migrants to remit food packages directly to their families in Zimbabwe. These platforms enable users to purchase groceries or food baskets online, which are then delivered to recipients in Zimbabwe through partner stores.

Mobile money also played a significant role in facilitating these digital transactions. Zimbabwean migrants used platforms such as Mukuru's mobile wallet to transfer funds that could be used to purchase food or pay for delivery services. Mobile money allowed for secure, contactless transactions, addressing both the health risks of in-person remittances during the pandemic and the logistical challenges posed by border closures.

3. Impact on Food Security in Zimbabwe

The availability of digital platforms for food remittances helped to mitigate the immediate effects of the pandemic on food security in Zimbabwe. Remittances sent via mobile apps and food remittance platforms ensured that

Zimbabwean families continued to receive essential goods, even as traditional supply chains were disrupted. For many households, remittances remained a vital source of food security, allowing them to cope with the economic fallout of COVID-19.

However, not all households were able to benefit equally from digital remittances. The study found that older family members and those in rural areas faced difficulties in using digital platforms due to limited internet access, poor digital literacy, and logistical challenges with delivery services in remote locations. These issues highlight the need for improved digital inclusion strategies to ensure that all remittance-receiving households can benefit from the shift to digital food remittance platforms.

4. Challenges of Digital Platforms

While digital platforms have been a key innovation in maintaining remittance flows during the pandemic, they are not without challenges. The cost of using these platforms, including transaction fees and currency conversion charges, can be prohibitive for low-income migrants. Additionally, some digital platforms require users to have access to smartphones or internet connectivity, which may not be available to all migrants or their families in Zimbabwe.

There are also concerns about the security and reliability of digital remittance platforms. Migrants may be hesitant to trust new digital services due to fears of fraud or service failure. Ensuring transparency, security, and consumer protection will be critical for the continued adoption and success of these platforms.

Recommendations

1. Enhance Digital Inclusion and Accessibility

To ensure that all migrants and their families can benefit from digital remittance platforms, there is a need for targeted efforts to improve digital literacy and access to technology and artificial intelligence (AI) (equipped with amenities such as automated, real-time, 24/7 customer support chatbots, that enrich the efficiency and user experience). Governments and NGOs should invest in digital training programs for both migrants and remittance recipients, particularly in rural areas, to ensure they can navigate online platforms effectively. Expanding internet infrastructure and providing affordable access to smartphones will

also be essential for enabling wider use of digital remittance services. Additionally, simplifying the user interface of remittance platforms and offering multilingual support would make these platforms more accessible to migrants and their families. By reducing the barriers to entry, more households can benefit from digital food remittances.

2. Lower Transaction Costs

Digital remittance platforms should work towards lowering transaction fees to make their services more accessible to low-income migrants. Governments and financial institutions could introduce policies or subsidies that reduce the cost of remitting food or money across borders. Additionally, increasing competition among digital remittance providers could drive down costs and improve the quality of services offered to migrants.

Governments could also consider offering incentives for remittance platforms that offer low-cost services, such as tax breaks or subsidies for service providers that cater to low-income households. These measures would make digital remittance platforms more affordable for a larger segment of the population.

3. Strengthen Partnerships between Remittance Platforms and Local Businesses

Partnerships between digital remittance platforms and local businesses in Zimbabwe have been crucial for ensuring the timely delivery of food packages to remittance recipients. Expanding these partnerships could improve the reach and efficiency of digital remittances, particularly in rural areas where access to food markets may be limited.

Governments and development organizations should encourage collaboration between remittance platforms and local supply chains to ensure that food baskets and other essential goods can be sourced and distributed efficiently. Such partnerships could also help stimulate local economies by supporting small businesses involved in the delivery and distribution process.

4. Improve Regulatory Oversight and Consumer Protection

To foster trust and confidence in digital remittance platforms, governments must ensure proper regulatory oversight of these services. This includes implementing consumer protection measures to prevent fraud, ensuring data privacy, and establishing clear dispute resolution processes for users. Migrants and their families should feel confident that their

transactions are secure and that they have recourse in the event of service failure or fraud.

Policymakers should also work towards harmonizing cross-border regulations to simplify remittance processes and reduce bureaucratic barriers for migrants sending food or money home. By streamlining regulatory frameworks, governments can facilitate faster and more affordable remittance flows.

5. Build Resilience in Food Systems through Digital Innovation

The experience of Zimbabwean migrants during the COVID-19 pandemic highlights the importance of digital platforms in maintaining food security during crises. Governments should continue to support the development and adoption of digital technologies that enhance the resilience of food systems. This includes promoting digital innovations that facilitate food distribution, support agricultural supply chains, and improve access to markets for small-holder farmers.

By integrating digital tools into broader food security strategies, governments can ensure that vulnerable populations remain connected to essential resources during future crises, whether due to pandemics, economic downturns, or climate-related shocks.

Conclusion

The COVID-19 pandemic has accelerated the adoption of digital remittance platforms among Zimbabwean migrants in South Africa, transforming the way food and essential goods are transferred across borders. Digital platforms like Mukuru and Malaicha have become vital lifelines for ensuring food security in Zimbabwe, particularly in the context of ongoing economic challenges and the disruption of traditional remittance channels. While these platforms offer significant benefits, including the ability to remit food remotely and securely, there are still barriers that limit their accessibility and effectiveness for all households. Improving digital inclusion and adoption of artificial intelligence (AI), reducing transaction costs, strengthening local partnerships, and ensuring regulatory oversight will be essential for maximizing the impact of digital remittance platforms on food security. By addressing these challenges, policymakers can ensure that digital remittance platforms continue to play a critical role in supporting food security and resilience for migrant families in Zimbabwe and beyond.

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