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Diaspora Diplomacy Strategies and Remittance Flows: Evidence from Kenyan Diaspora in Australia

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Abstract

The Central Bank of Kenya recognizes the significance of remittances as an economic lifeline, yet the observed irregularities hint at prevailing issues within the diaspora that may impact their ability to contribute effectively to the nation's welfare. Existing research on diaspora contributions has largely focused on traditional migration destinations such as the US, UK, and Gulf countries, creating a contextual gap regarding the Kenyan diaspora in Australia, whose remittance behavior remains under-explored. The purpose of the study was to assess the impact of diaspora diplomacy strategies on remittance flows from Australia. A descriptive survey design and a positivist paradigm were employed to collect empirical data from diaspora members. The target population comprised 22,446 individuals, including officials from the Ministry of Foreign Affairs, Kenya Mission in Australia, diaspora associations, and Kenyan diaspora residents in Australia. A total sample of 484 respondents was selected using random, census, purposive, and stratified sampling techniques. Data was collected using structured questionnaires distributed via digital platforms and interview guide. Quantitative data was analyzed using SPSS, where descriptive statistics and linear regression were conducted to test the relationships between the study variables. The findings revealed that diaspora diplomacy strategies explained 71.2% of the variation in remittance flows ($R^2 = 0.712$, Adjusted $R^2 = 0.706$), with the regression model showing statistical significance ($F = 432.764$, $p = 0.000$). The study concludes that diaspora diplomacy plays an important role in promoting remittance flows from Kenyans in Australia but is hindered by structural and institutional limitations. The study thus recommends the establishment of a Diaspora Investment Facilitation Office (DIFO) under the Kenya Investment Authority (KenInvest), with liaison officers in key global hubs including Australia.

Keywords: *Diaspora Diplomacy Strategies, Remittance Flows, Economic Development, Consular Services, Kenyan Diaspora in Australia*

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1.0 Introduction

Remittance flows from the diaspora have long been recognized as a significant contributor to economic growth in many countries⁹. These financial transfers by migrants to their home countries can provide a lifeline for families, support basic needs, and contribute to local economies¹⁰. Countries such as China, Philippines, Bangladesh and India have recognized and appreciated the critical role of their large diaspora populations and leveraged on diaspora diplomacy strategy to harness their potential. However, the relationship between the Diaspora Diplomacy Strategy and remittance flows extends beyond mere financial transactions³. It encompasses a broader engagement and utilization of the diaspora community's potential to influence positive change in their home country³. Through structured outreach programs, the promotion of remittances as a form of investment, and partnerships with financial institutions, countries can mobilize their diaspora not just as senders of money, but as key stakeholders in the nation's growth agenda¹³. This holistic approach fosters a stronger connection between the diaspora and their home country, potentially leading to increased remittances, investment, and participation in growth projects, thereby contributing significantly to economic growth¹⁴.

In the African context, the emphasis on diaspora mobilization strategies to enhance remittance flows carries immense significance. Countries like Ethiopia, Nigeria, and Kenya have recognized the pivotal role of their substantial diaspora populations and implemented initiatives to harness their potential. The Ethiopian Diaspora Trust Fund and the Nigerian Diaspora Direct Investment Summit exemplify efforts to facilitate diaspora investments and channel expertise. Well-organized diaspora networks and targeted outreach initiatives enable African nations to leverage the financial resources, skills, and connections of their diaspora, markedly contributing to economic enhancement through increased remittances, investments, knowledge transfer, and diaspora-driven entrepreneurship.

The role of the Diaspora Diplomacy Strategy and remittance flows has been pivotal in shaping Kenya's economic landscape. Recognizing the Kenyan diaspora as a significant asset, the government and various stakeholders have actively engaged in strategies to mobilize this group for national growth². As a result, Kenya established the State Department for Diaspora Affairs and Diaspora Diplomacy Unit to strengthen ties with its global diaspora community targeting particularly increased remittances and promote their engagement in national growth¹². Efforts have included the creation of platforms for dialogue between the diaspora and the government, investment opportunities specifically tailored for Kenyan expatriates, and policies aimed at easing the transfer of remittances¹. These steps are part of a broader trend towards leveraging the diaspora for their skills, networks, and capital, with remittances from Kenyans abroad becoming a crucial source of foreign exchange, often surpassing earnings from traditional exports⁴. The impact of these remittances is diverse, supporting families, driving small business growth, and contributing to critical sectors such as real estate and education². As part of this mobilization strategy, Kenya has also witnessed the establishment of diaspora-focused financial products and services, aimed at facilitating investment in national growth projects³. This strategic approach not only enhances the

¹ Vanore, Michaella. "Diasporas as Actors of Economic Diplomacy." In *Routledge International Handbook of Diaspora Diplomacy*, pp. 156-168. Routledge, 2022

² Muzapu, Rangarirai, and Taona Havadi. "Boosting diaspora remittances as a key source of investment capital: The case of Zimbabwe." *Management* 11, no. 2 (2021): 27-37.

³ Carment, David, Samuel MacIsaac, Milana Nikolko, and Dani Belo. "Diaspora networks, fragile states: Conflict and <https://doi.org/10.53819/81018102t4355>

growth and flow of remittances but also strengthens the diaspora's connection to their homeland, fostering a sense of belonging and commitment to Kenya's prosperity⁴.

Locally, within Kenya, the dynamics of remittances unfold distinctively⁵. The Kenyan diaspora, particularly in regions like Australia, exemplifies how targeted mobilization strategies can augment the flow of remittances back to Kenya, with potential positive repercussions on the national economy⁶. The Kenyan government's initiatives, such as the Diaspora Diplomacy Unit, aim to strengthen ties with the diaspora community and facilitate their engagement in national growth through channels like the Kenya Diaspora Investment Conference. Indicators like participation in diaspora-centric events, remittance volumes, and diaspora-driven investments serve as tangible measures of these strategies' effectiveness. Furthermore, the Kenyan scenario aligns with global insights that underscore the multifaceted impact of remittances, ranging from bolstering household incomes to fostering broader economic growth through increased consumption, investment, and entrepreneurship. However, akin to global and regional narratives, the Kenyan context also reveals the complexity and variability of remittances' impact, highlighting the need for nuanced, context-aware approaches in harnessing these financial flows for sustainable economic growth.

The recent trends in remittance flows to Kenya, while impressive, reveal underlying inconsistencies that point to broader challenges within the diaspora community. Despite the steady year-over-year growth in remittances, persistent inconsistencies highlight the need for a more in-depth analysis of the factors influencing the diaspora's ability to contribute reliably to Kenya's economic growth. The Central Bank of Kenya recognizes the significance of remittances as an economic lifeline, yet the observed irregularities hint at prevailing issues within the diaspora that may impact their ability to contribute effectively to the nation's welfare⁷. The significance of stable and substantial remittance contributions cannot be overstated, as they play a pivotal role in achieving growth objectives, alleviating poverty, and elevating the living standards of the Kenyan people.

The fluctuations in remittance volumes, influenced by a myriad of factors both within and beyond Kenya's borders, therefore highlight the urgency for a more resilient and adaptive economic strategy. This study delves into the potential of the Diaspora Diplomacy Strategy and the dynamics of remittance flows as key elements in bolstering economic stability and growth in Kenya. By exploring the financial engagements of the Kenyan diaspora, with a particular focus on those residing in Australia, this research sought to identify strategies through which the economic

cooperation." In *Routledge International Handbook of Diaspora Diplomacy*, pp. 255-271. Routledge, 2022.

⁴ Kessy, Ambrose T., and Hildebrand E. Shayo. "Tanzania's diaspora engagement: The need for a paradigm shift in diaspora engagement and investment policies." *Research in Globalization* 5 (2022): 100095.

⁵ Carment, David, Milana Nikolko, and Sam MacIsaac. "Mobilizing diaspora during crisis: Ukrainian diaspora in Canada and the intergenerational sweet spot." *Diaspora Studies* 14, no. 1 (2021): 22-44.

⁶ Achitsa, Annabella Analo Mutsiambo. "Remittance-Development Nexus: The Policy and Political Narratives of Migrant Remittances in Kenya." PhD diss., Central European University, 2020

⁷ Saungweme, Talknice, and Nicholas M. Odhiambo. "Inflation and economic growth in Kenya: An empirical examination." *Advances in Decision Sciences* 25, no. 3 (2021): 1-25.

contributions of the diaspora can be effectively leveraged to support and enhance Kenya's economic growth path.

1.1 Problem Statement

The Central Bank of Kenya recognizes the significance of remittances as an economic lifeline, yet the observed irregularities hint at prevailing issues within the diaspora that may impact their ability to contribute effectively to the nation's welfare⁸. Empirical studies have also established that diaspora communities significantly contribute to national growth through remittances, investments, and knowledge transfer. However, existing research on diaspora contributions has largely focused on traditional migration destinations such as the US, UK, and Gulf countries, creating a contextual gap regarding the Kenyan diaspora in Australia, whose remittance behavior remains under-explored. Despite the large Kenya diaspora in Australia, the extent to which they contribute to remittances remains unclear, with limited attention given to Kenya's diaspora in this region.

Moreover, while some studies highlight the benefits of remittances at the household level, such as in Kericho County, they do not critically evaluate the role of diaspora diplomacy strategies in facilitating these remittance flows, indicating a conceptual gap. Methodologically, most existing studies rely on either broad macroeconomic analysis or local-level case studies without integrating policy-level engagement mechanisms, creating a methodological gap in understanding the direct influence of state-led diaspora diplomacy on economic outcomes. This study sought to address these gaps by focusing specifically on Kenya's diaspora in Australia, evaluating the effectiveness of Kenya's diaspora diplomacy strategies, and linking them empirically to remittance flows. This study aimed at identifying gaps in existing engagement frameworks and recommend policies that enhance diaspora contributions particularly remittances. The study presents analysis of how Kenya has been able to optimize its diaspora engagement strategies to increase remittances from its citizens abroad and in particular, Australia.

1.2 Research Question

What is the impact of the diaspora diplomacy strategy on remittance flows from Australia?

1.3 Objective

To assess the impact of diaspora diplomacy strategies on remittance flows from Australia.

2.1 Theoretical Literature

Social Capital Theory was developed by⁹. The theory states that social networks, relationships, norms, and trust among individuals or groups hold value and can be mobilized to achieve individual or collective goals. Social capital facilitates coordination and cooperation, improves access to resources and information, and contributes to societal and economic growth. Social Capital Theory, elaborated by scholars such as Robert Putnam, provides that the value embedded within social networks and relationships is crucial for societal cooperation and the achievement of common goals¹⁰. It assumes that social capital facilitates mutual support and collective action,

⁸ Saungweme, Talknice, and Nicholas M. Odhiambo. "Inflation and economic growth in Kenya: An empirical examination." *Advances in Decision Sciences* 25, no. 3 (2021): 1-25.

⁹ Lamaison, P., & Bourdieu, P. (1986). From rules to strategies: An interview with Pierre Bourdieu. *Cultural anthropology*, 1(1), 110-120.

¹⁰ Song, Shuang, Dawei Xu, Shanshan Hu, and Mengxi Shi. "Ecological network optimization in urban central district" <https://doi.org/10.53819/81018102t4355>

enhancing the capacity of groups to work together for mutual benefit. Critics of Social Capital Theory highlight that it might not sufficiently account for the diversity within social networks and the potential for social capital to be used for exclusive or divisive ends rather than inclusive and communal objectives¹¹.

This Social Capital Theory was deemed relevant to the study as it was able to shed light on the potential of the Kenyan diaspora's social ties in Australia to act as a lever for economic growth through enhanced remittance flows. The theory supported the notion that building and nurturing social relationships within the diaspora community is able to result in increased collaboration and contributions especially remittance flows which plays a pivotal role to Kenya's growth projects.

2.2 Empirical Literature

A study by¹² examined the effectiveness of India's diaspora engagement policies on remittance flows and broader economic ties with the Indian diaspora. The purpose was to evaluate how institutional mechanisms, including the Ministry of Overseas Indian Affairs and programs like Pravasi Bharatiya Divas, influenced remittance behavior. The study employed a mixed-methods approach, combining macroeconomic time-series data from the Reserve Bank of India (2000–2018) with qualitative interviews from 25 Indian expatriates in the UAE and USA. The findings revealed that diaspora-targeted diplomatic strategies such as dual citizenship programs, community investment schemes, and cultural diplomacy positively influenced remittance frequency and amounts. The study concluded that trust-building and policy continuity were key determinants of sustained diaspora investment and remittance loyalty. The study recommended further strengthening of institutional diaspora engagement, particularly through localized diaspora outreach cells within Indian embassies and financial incentives for diaspora-led enterprises in India.

A study by¹³ explored the strategic role of the Indonesian diaspora in promoting national economic resilience, offering a practical and policy-relevant perspective on diaspora engagement. The research identified four major contributions made by the diaspora: remittances, investments, knowledge transfer, and participation in both economic and cultural diplomacy. Drawing from an extensive literature review, the study finds that remittances not only bolster household financial stability and education but also stimulate economic growth by supporting micro, small, and medium enterprises (MSMEs), which are pivotal to Indonesia's economic structure. Additionally, remittances represented a vital source of foreign exchange, underpinning broader economic functions such as household consumption and investment in productive sectors. However, the study highlighted persistent regulatory barriers and bureaucratic complexities that limit the diaspora's effective integration into national growth frameworks. It further argues that the absence of systematic, inclusive diaspora policies weakens the potential for coordinated diaspora-state

based on complex network theory: A case study with the urban central district of Harbin." *International Journal of Environmental Research and Public Health* 18, no. 4 (2021): 1427.

¹¹ Swanson, Eric, Sally Kim, Sae-Mi Lee, Jae-Jang Yang, and Yong-Ki Lee. "The effect of leader competencies on knowledge sharing and job performance: Social capital theory." *Journal of hospitality and tourism management* 42 (2020): 88-96.

¹² Rai, S., & Kumar, A. (2020). *Diaspora Diplomacy and Remittance Mobilization: Evaluating India's Global Diaspora Strategy*. *Journal of South Asian Development*, 15(2), 135–154

¹³ Hamdani, I., & Puspitasari, M. (2025). The Role of Diaspora in Realizing Indonesia's Economic Resilience. *Transekonomika: Akuntansi, Bisnis Dan Keuangan*, 5(3), 841-854

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engagement in achieving macroeconomic objectives. In response, the authors advocated for aligning diaspora initiatives with national economic strategies through comprehensive policy reforms aimed at inclusivity, institutional support, and clearer diaspora engagement pathways. Its findings offer valuable implications for other countries seeking to maximize diaspora contributions beyond remittance flows, especially through structural and policy integration.

A policy-focused study by¹⁴ assessed the diffusion of diaspora policies across Africa by analyzing measures adopted by 54 African countries alongside frameworks developed by the African Union (AU) and the United Nations (UN). The research investigated vertical diffusion by comparing national policies with international strategies and horizontal diffusion by identifying patterns of cross-country and regional policy adoption. The findings revealed a bidirectional relationship between national, regional, and global actors that collectively shaped the evolution of diaspora policies. In the early stages, most countries implemented nationally driven approaches that had limited alignment with international norms; however, these approaches gradually evolved toward greater policy convergence, driven by international guidance and strengthened regional cooperation. The study proposed an analytical framework with three diffusion scenarios, challenging the dominant view that diaspora policy flowed only from international institutions to states. Instead, the study highlighted the need for African states, showing that they actively shaped diaspora engagement models based on both domestic priorities and global influences. The research further showed that regional clusters, such as the East African Community (EAC), facilitated peer learning and policy borrowing, contributing to a more integrated regional approach. This study provided a deeper understanding of how diaspora diplomacy policies were not just adopted but adapted within African contexts, making it highly relevant to the current investigation into Kenya's diaspora diplomacy strategy in Australia.

The role of diaspora policy and diplomatic engagement on remittance flows and national growth in Ghana was assessed by¹⁵. The study aimed to assess whether state-led diaspora outreach efforts translated into increased remittance flows. A qualitative case study design was adopted, focusing on data from the Ghana Investment Promotion Centre (GIPC), interviews with Ministry of Foreign Affairs officials, and focus group discussions with Ghanaian diaspora groups in the UK and the USA. The study found that initiatives such as the “Homecoming Summit” and Ghana's Diaspora Engagement Policy of 2016 played a positive role in increasing both financial and non-financial remittances. However, the study also noted that bureaucratic red tape and lack of feedback mechanisms weakened the long-term effectiveness of diaspora diplomacy. The researchers concluded that diaspora trust in state institutions significantly shaped remittance behavior and recommended more transparent diaspora-targeted investment channels and a revamped online engagement platform to connect diaspora professionals with local opportunities.

In a separate study,¹⁶ assessed the impact of Kenya's diaspora engagement strategies on remittance flows, with a particular focus on the institutional role of the Directorate of Diaspora Affairs. The purpose of the study was to evaluate whether policy frameworks like Kenya Diaspora Policy (2015) had a measurable effect on the volume and consistency of remittance flows. The researchers

¹⁴ Schöfberger, I. (2025). Diaspora Policies in Africa: Vertical and Horizontal Policy Diffusion. *International Migration Review*, 01979183251329047.

¹⁵ Mensah, J. K., & Antwi, B. (2019). *Ghana's Diaspora Policy and Remittance Dynamics: Bridging the Engagement Gap*. *African Journal of Economic Policy*, 26(1), 78–96.

¹⁶ Mwangi, P., & Ochieng, J. (2021). *Diaspora Engagement and Remittance Inflows in Kenya: A Policy Evaluation*. *Journal of African Development Studies*, 33(4), 245–263.

employed a quantitative research design, analyzing Central Bank of Kenya remittance data from 2009–2020 and administering structured questionnaires to 150 Kenyan diaspora members across the USA, Qatar, and the UK. The findings showed that government engagement through consular services, diaspora investment conferences, and improved digital remittance platforms significantly increased remittance flows. Nonetheless, the study highlighted challenges such as limited government responsiveness, high remittance transaction costs, and a general perception of weak accountability on diaspora funds utilization. The study concluded that diaspora trust and institutional transparency were critical and recommended expanding bilateral financial agreements with host countries to lower remittance costs and strengthen diaspora bonds.

Exploring the multifaceted impacts of remittance flows on growth indicators extends beyond economic growth to encompass broader human growth aspects. The study highlighted the positive influence of factors such as government spending, life expectancy, and investment in human capital on overall human growth. Importantly, it identifies a one-way causal link from remittance flows to improvements in human growth, emphasizing the crucial role remittances play in enhancing well-being in South Asia. These insights support the need for policy interventions that prioritize health, education, and income generation, using remittances as a catalyst for advancing human growth outcomes²⁶.

¹⁷This study examined how remittance flows have influenced Kenya's nominal exchange rate over the period 1980 to 2020, in light of their growing importance in low- and middle-income economies. With Kenya striving to maintain macroeconomic stability and meet Sustainable Growth Goals, the research sought to clarify the role of remittances in shaping exchange rate trends. Using the autoregressive distributed lag (ARDL) model, the analysis revealed a surprising outcome: remittances did not lead to an appreciation of the Kenyan currency, challenging the assumptions of earlier studies. Consequently, the study concludes that remittance flows in Kenya do not exhibit characteristics indicative of the Dutch-disease phenomenon. As a recommendation, the study suggests that Kenya should continue implementing policies supportive of remittance flows to bolster its balance of payments, potentially leading to improvements in economic indicators and overall macroeconomic stability..

3.0 Research Methodology

Research design denotes a structured plan guiding the entire research process to ensure systematic data collection and analysis¹⁸. ¹⁹Describes research design as a logical framework linking research questions to evidence through controlled analysis. Research design is important in ensuring the validity, reliability, and clarity of research outcomes.²⁰ This study adopted a descriptive survey design, which was effective in illustrating the characteristics and dynamics of a specific phenomenon in this case, the impact of diaspora diplomacy on remittance flows. Descriptive research, by its nature, provides a detailed snapshot of the situation, allowing for a comprehensive understanding of the variables involved.

¹⁷ Musakwa, Mercy T., And Nicholas M. Odhiambo. "Remittance Flows And Exchange Rate In Kenya: An Emprirical Investigation." *Acta Economica* 21, No. 39 (2023): 129-147.

¹⁸ Dannels, S. A. (2018). Research design. In *The reviewer's guide to quantitative methods in the social sciences* (pp. 402-416). Routledge

¹⁹ Abbott, M. L., & McKinney, J. (2012). *Understanding and applying research design*. John Wiley & Sons

²⁰ Myers, J. L., Well, A. D., & Lorch Jr, R. F. (2013). *Research design and statistical analysis*. Routledge.

This study was carried out in Australia. Selecting Australia as the focal point of this study was strategic due to its substantial Kenya diaspora community, which is integral to remittance flows and diaspora-led growth efforts in Kenya. This concentration of Kenyan nationals offers a unique opportunity to delve into the intricacies of diaspora contributions through remittances to Kenya's economic growth. Furthermore, engaging with officials from the Ministry of Foreign Affairs in the region provided critical insights into the policies and strategies crafted to harness diaspora resources especially remittance flows. These interactions are pivotal for understanding the governmental framework and challenges in mobilizing the diaspora remittance flows for economic advancement.

The target population for this study comprised officials from the Ministry of Foreign Affairs (State department of the diaspora affairs, Kenya mission in Australia), Diaspora associations and Kenyan diaspora residing in Australia. This selection is strategic, as officials from the Ministry of Foreign Affairs are pivotal in shaping and implementing diaspora diplomacy policies and therefore possess critical insights into the governmental strategies aimed at mobilizing diaspora resources such as remittance flows for economic growth. Simultaneously, Kenya diaspora in Australia represent a vital segment of the diaspora community, directly involved in remittance flows and potentially engaged in diaspora-led growth initiatives. The study aimed to capture a comprehensive understanding of both the policy framework, the implementation of the policies, and the impact of the diaspora diplomacy strategies on the remittance flows. Hence, ensuring a holistic view of the dynamics at play in leveraging diaspora engagement for enhanced remittance flows by focusing on these groups.

Stratified and simple random sampling was used to reach Kenyan diaspora in various states in Australia, leveraging the interconnected nature of social networks within the diaspora community to identify and recruit respondents. This methods were found to be effective in accessing populations in the well-structured associations, allowing the study to tap into the rich, diverse experiences of Kenyan diaspora (Businessmen ,Professionals ,Employees and Students), who are actively engaged in remitting funds and contributing to Kenya's growth from abroad. Meanwhile, a purposive sampling strategy was employed to select officials from the leadership of Kenyan Diaspora associations, Kenya High Commission and the Ministry of Foreign Affairs, ensuring that participants possess specific knowledge, or are in key positions relevant to diaspora diplomacy and economic growth initiatives. This targeted approach enabled the study to gather in-depth, expert insights into the policies, strategies, and perspectives that shape diaspora engagement at the governmental level, providing a balanced view of both the policy framework and the impact of diaspora diplomacy strategy on the remittance flows.

Given the small number of officials from the Ministry of Foreign and Diaspora Affairs (15), staff at the Kenya Mission in Australia (29), and the leaders of diaspora associations (54), the study adopted a census approach for these three categories. This means that all individuals in these groups were included in the study. Purposive sampling was employed to ensure that only those directly involved in diaspora policy, coordination, or growth activities were selected for participation. However, the Kenyan diaspora population residing in Australia (22,348) was too large for a full census. Therefore, the study used Yamane's (1967) simplified formula to determine a representative sample size from this group. At a 95% confidence level and a 5% margin of error, the sample size was calculated as follows:

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$$n = \frac{N}{1 + N(e^2)} = \frac{22,348}{1 + 22,348(0.0025)} = \frac{22,348}{57.87} \approx 386$$

Accordingly, 386 Kenyan diaspora residents were included in the study giving a total sample size of 484 respondents.

This study employed a mixed-methods approach, including Key Informant Interviews (KIIs) with officials, questionnaires for Kenyan diaspora in Australia, and secondary data analysis. KIIs delved into diaspora diplomacy's intricacies and its impact on remittance flows, while questionnaires quantified remittance flows, diaspora engagements and the constraints in the entire process⁴¹. Interviews were administered to the sampled respondents in MFDA (15), Kenya Mission in Australia (29) and the leadership of the Kenyan diaspora (54) associations in various states in Australia. On the other hand, questionnaires were administered to the sampled Kenyan diaspora (386). This triangulation ensured a comprehensive analysis of the study.

The study used SPSS to analyze quantitative data from the Kenyan diaspora in Australia, examining variables like the effect of diaspora diplomacy strategies on remittance flows. Qualitatively, interviews and document analyses identified key themes related to diaspora engagement, remittance flows and more so the challenges faced in the process. Triangulation cross-validated findings, ensuring robust insights into the diaspora's remittance contributions. Prior authorization was obtained from relevant authorities, including the University of Nairobi and NACOSTI. Before conducting interviews, the study's objectives and procedures were clearly explained to participants, who were approached respectfully and given the option to participate voluntarily. The importance and potential benefits of the study was communicated to participants, emphasizing their autonomy in decision-making.

4.0 Findings and Discussion

Descriptive Results

Channels Used to Send Remittances to Kenya

The respondents were asked to indicate the channels they commonly used to send remittances to Kenya. Multiple responses were allowed to reflect diverse remittance behaviors. Table 1 presents the distribution of these preferences.

Table 1: Channels Used in Sending Remittances to Kenya

Channel	Frequency	Percentage
Families/relatives	61	62.9%
Friends	23	23.7%
Banking institutions	42	43.3%
Authorized money transfer operators (e.g., Western Union)	56	57.7%
Non-banking money transfer systems (e.g., Remitly, Wise)	68	70.1%
M-Pesa	81	83.5%

The results in Table 1 show that the majority of the respondents (83.5%) reported using M-Pesa to send remittances, making it the most popular channel. Non-banking transfer systems like Remitly

were also widely used (70.1%), indicating a preference for fast, digital solutions. In contrast, only 23.7% relied on friends, suggesting a declining reliance on informal channels. The popularity of authorized operators (57.7%) and banking institutions (43.3%) also highlighted the growing use of formal financial channels for international transfers by Kenyans living in Australia.

Major Challenges in Sending Remittances

The respondents were also asked to identify the key challenges they faced when sending remittances to Kenya. Again, multiple responses were permitted. Table 2 outlines the results.

Table 2: Challenges Faced in Sending Remittances

Challenge	Frequency	Percentage
High costs of transfers	69	71.1%
Foreign exchange costs	62	63.9%
Taxation of remittances	44	45.4%
Restrictive legislations of the host country	21	21.6%
Bureaucratic process for starting a business	58	59.8%
Customer care issues	36	37.1%
Corruption	41	42.3%
Inadequate information on investment opportunities	66	68.0%

The most frequently cited challenge was the high cost of transfers, reported by 71.1% of the respondents. This was followed closely by inadequate information on investment opportunities at 68.0%, and foreign exchange costs at 63.9%, indicating that financial barriers and lack of access to credible investment information were the most pressing concerns. Additionally, 59.8% of respondents mentioned the bureaucratic process involved in starting businesses in Kenya as a significant impediment. These challenges suggested that although the diaspora in Australia is willing to remit funds, systemic inefficiencies and cost burdens often undermine the efficiency and appeal of formal remittance channels.

Other challenges that were reported included taxation of remittances (45.4%), corruption (42.3%), and customer care issues (37.1%). In addition, 21.6% identified restrictive legislation in the host country as a limiting factor. These findings implied that high transactional and conversion costs are likely to divert funds to informal channels, undermining data capture and tax revenues. Secondly, the widespread concern over bureaucratic red tape and corruption may discourage diaspora members in Australia from engaging in long-term investments or enterprise growth in Kenya. Also, the lack of accessible investment information and weak institutional support structures means that the full economic potential of remittances is not being harnessed effectively.

Challenges Facing the Ministry of Foreign Affairs (MFA) in Mobilizing the Diaspora

The respondents were asked to identify what they believed were the major institutional challenges the Ministry of Foreign Affairs might be facing in its efforts to engage and mobilize the Kenyan diaspora in Australia to enhance remittance flows. Results were as shown in Table 3.

Table 3: Perceived Challenges Facing MFA in Engaging the Diaspora

Challenge	Frequency	Percentage
Inadequate diaspora database	72	74.2%
Insufficient information on existing diaspora data	63	64.9%
Limited coordination of efforts and information	69	71.1%
Inadequate environment for diaspora investments	67	69.1%

The results in Table 3 showed that the most cited challenge was the inadequacy of the diaspora database, with 74.2% of respondents indicating that the government lacked a comprehensive and up-to-date registry of Kenyan nationals living abroad. This was followed closely by limited coordination of efforts and information at 71.1%, and an inadequate environment for diaspora investments, noted by 69.1%. Additionally, 64.9% highlighted the issue of insufficient information on existing diaspora data. These findings reflect significant structural weaknesses in the institutional framework underpinning diaspora engagement.

These findings implied that without an effective and centralized diaspora database, the MFA is likely to face major setbacks in communication, policy targeting, and effective service delivery. The lack of coordination and fragmented information sharing across institutions weakens the impact of strategic diaspora initiatives, leading to duplicated efforts or missed opportunities. Moreover, a suboptimal investment climate characterized by red tape, poor policy support, and risk perception discourages diaspora contributions to national growth. To overcome these barriers, the MFA needs to establish a harmonized data ecosystem, foster inter-agency collaboration, and develop a transparent, incentive-driven investment framework tailored specifically for diaspora communities.

Thematic Analysis

Interviews were conducted with key officials from the Ministry of Foreign & Diaspora Affairs – State Department for Diaspora Affairs (Kenya) and the Kenya high commission in Australia, to evaluate how diaspora diplomacy has influenced remittance flows from the Kenyan diaspora in Australia between 2008 and 2024.

Respondents were asked to indicate how various diplomatic interventions have influenced the flow of remittances from Kenyan migrants residing in Australia over the period 2008 to 2024.

Officials from the State Department for Diaspora Affairs noted that the overall effect of diaspora diplomacy on remittance flows has been positive, though modest in scale. They observed that formal remittances from Australia became more consistent following the operationalization of the diaspora policy launch in 2014, and the creation of a dedicated State Department for Diaspora Affairs in 2022. Respondent 5 responded by indicating that:

“We have seen better traceability and growth in remittances over time, especially after consolidating diaspora engagement efforts. Improved communication and recognition have helped build trust, which is key in encouraging the use of formal remittance channels.”

Staff at the Kenya High Commission in Australia confirmed that targeted diplomatic initiatives have played a role in influencing remittance behaviour. They highlighted the introduction of regular diaspora engagement forums, including financial webinars, business expos, and virtual

town halls, as key drivers of renewed interest in formal remittance and investment platforms. Respondent 9 explained as follows:

“These events allowed us to share vetted investment opportunities, explain regulatory procedures, and build a relationship of trust. Following these sessions, we observed a noticeable increase in inquiries about land investment, diaspora bonds, and support for family businesses.”

Respondents also noted that the provision of efficient consular services had an indirect, yet significant influence on remittance trends. Services such as e-passport processing, dual citizenship facilitation, and streamlining of civil documentation had created a more secure and structured engagement environment. According to respondent 14;

“Such services anchor the diaspora more firmly to Kenya. When they can access national services with ease, they are more likely to commit financially, be it through supporting families or investing in long-term ventures.”

Nevertheless, both institutions acknowledged limitations in the overall influence of diplomacy on remittance behaviour. It was noted that remittances are still largely driven by personal motivations such as family obligations, emergencies, and private investment goals. Additionally, constraints such as limited staffing at the High Commission, lack of bilateral agreements on taxation, and insufficient promotion of diaspora-targeted financial instruments continue to limit the full impact of diplomatic efforts. Respondent 13 explained that:

“Despite our best efforts, the absence of a structured financial cooperation framework with Australia restricts how far we can go. There’s still fear around issues like double taxation and slow dispute resolution in Kenya, which discourages higher-value investments.”

Moreover, when asked to reflect on future strategies, respondents recommended the establishment of diaspora investment desks, the development of diaspora-friendly savings and investment instruments, and closer collaboration with professional associations in Australia. Respondent 7 said that:

“The potential is great, especially with the growth in Kenyan professionals in Australia. But we need to be deliberate in our economic diplomacy to go beyond cultural events and focus on structured, secure channels for diaspora contributions to national development.”

In general, the interviews revealed that while diaspora diplomacy had made meaningful strides in influencing remittance flows from Australia, its impact could be significantly enhanced through strategic resourcing, regulatory reforms, and tailored engagement of the professional diaspora. These responses affirm that while diaspora diplomacy has not been the sole driver of remittance growth, it plays an increasingly strategic role in shaping remittance behavior through formalization, trust-building, and investment facilitation.

Regression Analysis

The study conducted linear regression analysis to determine the impact of diaspora diplomacy strategies on remittance flows from Kenyan diaspora residents in Australia. The analysis aimed to quantify how much of the variations in remittance behavior is explained by the implementation of diaspora diplomacy strategies. Table 4 presents the model summary results.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.844a	0.712	0.710	0.37948

a. Predictors: (Constant), Diaspora Diplomacy Strategies

The results in Table 4 show that the coefficient of determination (R Square) was 0.712, indicating that diaspora diplomacy strategies explained 71.2% of the variation in remittance flows from Australia. This suggests that the majority of changes in remittance behavior can be attributed to how effectively the government of Kenya has implemented strategies to engage the diaspora in Australia. The remaining 28.8% of the variation can be attributed to other factors not included in the model. Table 5 shows the analysis of variance results.

Table 5: Analysis of Variance Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	62.308	1	62.308	432.764	.000 ^b
	Residual	25.218	331	0.076		
	Total	87.526	332			

a. Dependent Variable: Remittance Flows

b. Predictors: (Constant), Diaspora Diplomacy Strategies

The results in Table 5 indicate that the regression model was statistically significant ($F = 432.764$, $p = 0.000 < 0.05$). This means that diaspora diplomacy strategies significantly predict remittance flows, and the model is a good fit for explaining the relationship between the variables. Table 6 shows regression coefficient results.

Table 6: Regression Coefficient Results

Model		Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
		B	Std. Error			
1	(Constant)	0.287	0.084		3.417	0.001
	Diaspora Diplomacy Strategies	0.764	0.037	0.844	20.796	0.000

a. Dependent Variable: Remittance Flows

The regression coefficient results indicate that diaspora diplomacy strategies had a positive and statistically significant impact on remittance flows ($\beta = 0.764$, $p = 0.000$, $t = 20.796$). This implies that a unit increase in the implementation or effectiveness of diaspora diplomacy strategies is associated with a 0.764-unit increase in remittance flows. Consequently, the null hypothesis (H_0) was rejected, thus the study found that diaspora diplomacy strategy has significant impact on remittance flows from Australia. These findings are consistent with those of²¹ who identifies how

²¹ Dolea, A. (2024). Diaspora diplomacy, emotions, and disruption: A conceptual and analytical framework. *CPD Perspectives on Public Diplomacy*. Available at <https://uscpublicdiplomacy.org/sites/default/files/Diaspora%20Dolea%202024.pdf>
<https://doi.org/10.53819/81018102t4355>

digital media platforms have reconfigured the means through which the diaspora engagement and diplomacy are expressed, negotiated, and sometimes disrupted. The findings challenged the conventional state-centric view of diaspora diplomacy by emphasizing the agency of diaspora actors themselves particularly their capacity to construct identity narratives, mobilize around cultural and emotional themes, and navigate shifting political landscapes. A comparative study by²² examines the latest advancements in diaspora engagement policies and outreach practices within the Baltic and Nordic states. The study provided valuable insights into how diasporas are perceived by their homelands, whether they are considered a resource, and the potential future directions for diaspora-homeland relations. This study²² expands the understanding of diaspora diplomacy by highlighting the diverse approaches and perceptions across different geopolitical contexts, offering a broader perspective on how states engage with their diaspora communities for mutual growth.

5.0 Conclusion

The study further concludes that remittance behavior among the Kenyan diaspora is significantly influenced by the presence of reliable, efficient, and transparent diplomatic structures. High usage of formal remittance channels such as digital platforms like M-Pesa and Remitly, reflects trust in technological solutions but also points to a desire for convenience and security. In this regard, diaspora diplomacy that uses digital infrastructure while reducing procedural burdens tends to promote higher remittance volumes. On the contrary, delays, poor communication, and bureaucratic inefficiencies within government structures erode trust and push diaspora members toward informal or disengaged modes of support.

In addition, despite the potential of the Kenyan diaspora in Australia to contribute meaningfully to national growth, structural and institutional constraints continue to limit full engagement. The inadequacy of consular services, absence of bilateral labor arrangements, and weak participation frameworks diminish the diaspora's capacity to act as a consistent and empowered growth partner. These gaps not only affect the flow of remittances but also hinder long-term investments and strategic knowledge transfer. Addressing these systemic shortcomings is therefore essential for harnessing the full economic and intellectual potential of the diaspora.

6.0 Recommendations

The Government of Kenya, through the Ministry of Foreign Affairs and its diplomatic mission in Australia should expand and decentralize the delivery of consular services. Priority should be given to establishing mobile consular units and satellite service centers in high-density diaspora states such as Queensland and Victoria. These units should be properly equipped to provide document processing, dual citizenship registration, and diaspora desk services to enhance convenience, inclusivity, and visibility of government presence in regions with large Kenyan populations.

The study recommends the formalization of structured partnerships between the Kenyan Mission and diaspora associations in Australia. These partnerships should be institutionalized through signed memorandum of understanding (MOUs) that define collaborative roles in mobilization,

²⁰Diplomacy, 2.)

²² Nowicka, Magdalena. "(Dis) connecting migration: transnationalism and nationalism beyond connectivity." *Comparative Migration Studies* 8, no. 1 (2020): 20.

investment coordination, feedback collection, and participation in policy consultations. The study also recommends empowering diaspora associations as formal stakeholders in Kenya's growth processes which will be key in improving accountability, create trusted investment pathways, and create a deeper diaspora ownership in national programs.

The study recommends that the Ministry of Foreign Affairs, in collaboration with the National Treasury and Central Bank of Kenya should strive to prioritize the negotiation and operationalization of bilateral agreements with Australia. Such agreements should cover labor mobility frameworks, double taxation avoidance, and investment protection protocols. These instruments are necessary to provide legal, financial, and regulatory assurances to diaspora members seeking to remit, invest, or work between the two countries. Implementing such agreements will enhance Kenya's ability to harness diaspora capital more sustainably.

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