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# Should I stay or should I go

Rapid migration flows into urban and periurban areas will be an on-going driver of the economic transformation that drives Ghana's economy forward. Recognising this, policies that support better management of urbanisation will have to ensure improved services, transportation, and housing for growing urban populations.

'Should I stay or should I go' is the question that is on the minds of youngsters and heads of households in the poorest areas of Ghana. They hear the stories from their friends and others who have moved to the urban areas of the country in search of greener pastures. For some, especially households headed by males and highly educated individuals, urban areas are perceived to offer a lot of promises – more job opportunities, better living conditions and overall a pathway to prosperity. As Ghana's urban areas attract more people, the internal migration narrative has largely been shaped by the economic successes of its cities.

Over the last two decades, Ghana, like many Sub-Saharan African countries, experienced rapid increases in internal migration, largely from rural to peri-urban and urban areas. Urban populations expanded by about 1.5 million people from 1991–98 to 1.9 million in 1998–2005 and 4.7 million in 2005– 12. While the reclassification of peri-urban rural areas into urban areas can partially explain this development, the main driver behind the increase in the urban population remains mass internal migration.

### Rapid internal migration fuels structural transformation

This migration trend can largely be traced to the success story that Ghana has authored in the last two decades as its economy went through a structural transformation. Ghana saw its economy shift from agriculture to services, which opened up the doors for people to move from rural to urban areas in search of a better life. (Molini and Paci, 2015) This economic shift along with a sustained and inclusive growth in the last 20 years, has enabled Ghana to more than halve its poverty rate, from 52.6% to 21.4% between 1991 and 2012. What has been impressive about Ghana's poverty reduction is the impact of growth on its poverty reduction. Until 2005, for every 1% increase in GDP in Ghana, the incidence of poverty fell by 2.5% — far above the Sub-Saharan average of 1.6%.

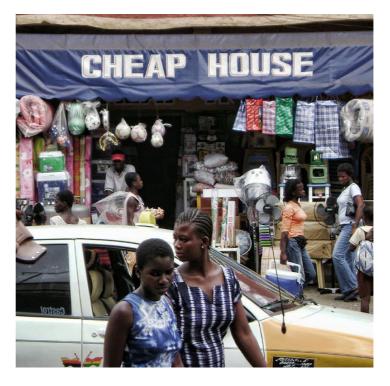


Image credit: Doug Murray

### Migration potentially leads to better household welfare

With such growth comes better job prospects. And better job prospects can lead to migration of people. And Ghana was no different, as we found out. In <u>our paper</u> – Should I stay or should I go?: Internal migration and household welfare in Ghana – we estimate that about 60% of all recently migrated households move to take up new jobs or to improve their employment opportunities. Some 34% moved in search of work, 17% migrated for business-related reasons, and 10% because of a job transfer.

Migration pays off in terms of better jobs and higher consumption levels. Migration seems to lead to successful job search. Virtually all migrant household heads find a job, regardless of their labor market status in their place of origin.

Through our analysis, we were also able to find that on average, migrant households have higher consumption levels than non-migrant households, and the effect is driven by households originally from Inland Ghana. In other words, there is a big gain to moving out of the Northern regions of Ghana. The impact is larger among male-headed households and households headed by higher educated individuals. We also see that such impact can be attributed to a physical mobility that goes beyond the effects of moving out of agriculture or moving out of rural areas. Migrants also move from urban areas of poorer regions to urban areas in richer regions, and the large majority do not switch employment sectors at destination.

### Policies must better manage migration and urbanisation

Despite the positive impacts of migration, the in-flux of large number of people in recent years has placed excessive pressure on the capacity of urban areas to provide adequate basic

#### Should I stay or should I go - IGC

services. While there is increasing evidence on how uncontrolled migration in Ghana can have a negative impact on destination areas (World Bank 2015), it doesn't mean that we should put a complete stop to migration. In fact, we would recommend against instituting policies aimed at limiting internal migratory flows as migration can bring positive effects and such restrictive policies can be viewed as curbing an individuals' freedom.

At the same time, however, internal migration comes with important social costs that need to be factored in. First, migrants are generally younger, more educated and potentially more entrepreneurial than those they leave behind. It follows that poorer areas see an outflow of talent that could otherwise have contributed to the local development. While this is a valid argument, truth is that via remittances, poor areas might eventually be compensated for this brain drain, but such effects take time to evolve and sometimes, the benefits do not offset the losses.

Second, and this one is linked to the previous aspect, is that those who stay back might become even poorer after the migration of the youngest and fittest. For example, <u>Awumbila</u> <u>and Ardayfio-Schandorf (2008)</u> argue that poverty at origin location may also be a result of migration. In families and communities where husbands or active and productive youth have migrated, poverty among children, wives, elderly and other dependents may worsen. This line of argument challenges the poverty migration nexus.

Finally, given the two sides to migration, it's safe to say that the urbanization process in Ghana is at a crossroads. Due to internal migration, the population has grown exponentially in Accra and urban areas have started to see the side effects of rapid urbanization, including congestion, unregulated expansion, and a decline in access to services and affordable housing. To maximize the benefits of migration requires proper urban planning so that the urban areas can continue to attract people, while at the same time provide an adequate level of services to them.