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# **Rural-Urban migration, gender and welfare in Ghana; who gains and who does not?**

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## **ABSTRACT**

This thesis investigates to what extent rural-urban migration benefits or disadvantages the welfare of female and male migrants in Ghana. The study is of quantitative character and the results are obtained with regression analyses on the Fifth Round of Ghana Living Standards Survey (GLSS5). The results show some variation between the sexes, but with very different results when controlling for selectivity with an instrumental variable (IV) approach compared to ordinary least squares (OLS). Applying the IV approach the results show a negative effect on household income for both male and female migrants of about 34 percent and 23 percent, respectively. When selectivity is not controlled for, the results show a positive effect for both males and females, where mean household income is increased with about 10 and 12 percent, respectively. While the empirical focus lies on the outcomes of migration, this thesis simultaneously raises a number of questions about the predisposing factors behind these outcomes. The point of departure is that gender influences migration and vice versa. This thesis therefore also looks into gender differences in the Ghanaian society and outlines reasons how gender and migration may be connected.

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# 1. INTRODUCTION

Migration is a fundamental component of expanding people's freedoms and opportunities, with the potential to bring large gains in capabilities for individual migrants and their families. There is a vast variation in the predisposing factors of human movement, but it can generally be argued that migrants are people who make choices about when to leave and where to go based on a comparison of costs versus gains. But in developing countries choices to migrate are often constrained due to poverty and unavailability of community attributes, such as infrastructure, unemployment insurance and other socio-economical amenities. In this vein migration does not only represent a way to enhance people's freedoms and opportunities, but also an indispensable livelihood strategy to overcome risk and respond to market imperfections.

In countries with significant regional disparities it is particularly evident that migration represents a way of tapping into the welfare advantages and greater opportunities enjoyed in more developed areas. In Ghana this has historically been manifested in the migration flow of farmers from the poor regions in the north to the more vibrant urban south (Anarfi et al.2003; Awumbila et al. 2008). Given the significant disparities between Ghana's rural and urban sectors, it is not surprising that urban life by and large represents the dream of formal employment, less social restrictions and diversified opportunities, while the rural areas provide limited employment outside agriculture, insecure income and inadequate infrastructure (Bookaye-Yiadom 2008)

However, migration is not only influenced by poverty and regional differentials, but also by the historical and cultural roles of men and women. Women in Ghana are discriminated against in a range of ways and these inequalities permeate the migration decision, processes and impacts of migration. In terms of income and employment, labor market conditions implies that the type of jobs available for women is much more limited to that of men's , hourly earnings in all sectors differ, and women are responsible for almost all non income generating activities within the households (African Development Fund 2008; Ghana Statistical Service 2008) While every household has its own inner dynamics, it can generally be stated that women in Ghana are less empowered to make decisions regarding their own lives and the lives of their families than their male counterparts. In all, the gendered dimensions of household hierarchies and the division of the labor market may conspire against the opportunities for female migrants in Ghana.

The aim of this study is to evaluate the impact of rural-urban migration on welfare for female and male migrants in Ghana. It takes as a starting point gendered roles prominent in the Ghanaian society. The purpose is not to give a comprehensive picture of migration patterns and inducement, but rather to draw attention to gender dimensions of migration, and how outcomes, in terms of income differentials may differ. The hypothesis is that the migration effect on income is greater for men than for women in Ghana.

The relevancy of this study is motivated by the lack of gendered migration studies (United Nations 2006) and by that migration in Ghana has attracted very few econometric analyses (Boakye-Yiadom and McKay 2006). The results will provide a foundation for further discussion on population relocation, the returns to rural-urban migration and the gendered dimensions of migration in Ghana.

### **Outline of the thesis:**

Chapter 2 constitutes the theoretical framework of the study. In the first part the research questions, data, definitions and limitations of the study are described. The second part of the chapter covers an outline of relevant and/or influential theories in the migration literature. The purpose of this part of the theoretical base is to give an idea about the evolvement of migration models and their predictions about the rationale for migration. The main theoretical foundation of this thesis paper lies on the tenets of the New Economics of Labor Migration (NELM), that deals specifically with development countries. However, arguably the most influential theory of rural-urban migration is the Harris –Todaro model of the dual economy. Therefore both theories are further explored in the subsequent part, and differences in their predictions are outlined.

Chapter 3 outlines the importance of gender equality and describes the linkages between gender disparities and migration, in order to highlight the gendered aspects of migration.

To provide background information and describe the context, chapter 4 describes the socio-political context in Ghana and gender discrepancies and historical and current migration patterns in the country are outlined. In all, this chapter contains important background information about Ghana, which is needed in order to carry out an adequate empirical analysis.

Chapter 5 entails the econometrical framework and analysis, in chapter 6 the results are outlined and in the last chapter the conclusions from the study are presented.

## **2. THEORETICAL FRAMEWORK.**

This study is of quantitative character, and the results are obtained with econometric analyses carried out on the fifth round of Ghana Living Standards Survey (GLSS 5). The aim is to investigate if migration is beneficial, in terms of increases in earnings, for female and male migrants in Ghana. Due to gender disparities in the country, where women generally are in a subordinate position than their male counterparts, both in terms of labor market discrimination and intra-household power relations, the hypothesis is male migrants gain more from migration than females.

### **Research Question:**

- To what extent does rural-urban migration benefit or disadvantage the welfare of women and men in Ghana?

A theoretical framework is outlined as a complement to the analysis in order to provide important insights on what conventional models predict about rural-urban migration. The arguably most influential model of urban-rural migration, The Harris- Todaro model of the dual economy is given special attention, as well as The New Economics of Labor Migration (NELM) on which tenets this study draws from. In all, this chapter provides a platform for the analysis presented further on.

## **2.1 Data and Definitions**

### **2.1.1 Ghana Living Standards Surveys**

The Living Standard Surveys are conducted by Ghana Statistical Service (GSS), in order to provide insights into living conditions in Ghana. It is a series of nationally representative household surveys that covers many aspects of household characteristics and living standards, such as employment and income, consumption and expenditure, credit, assets and savings, education, health, time use and housing conditions. It is a comprehensive and widely used survey data on living conditions that focuses on the household as key socio-economic unit. The first survey was conducted in 1987/88. In this thesis the Fifth Round of the Surveys, GLSS5, is used.

GLSS5 was surveyed in 2005/2006. It includes a nationally representative sample of 8,687 households in 580 enumeration areas, containing 37,128 household members. The field work extended over a

period of 12 months (September 2005 to September 2006). In GLSS5 two new sections, namely Tourism and Migrants & Remittances were introduced In addition to the earlier rounds (Ghana Statistical Service 2008)

### **2.1.2 Migrant Definition**

Migration is commonly defined as a form of geographic or spatial mobility involving a change of usual residence between defined geographic units. Internal migration refers to a move from one area (a province, district or municipality) within a country to another. In GLSS5 respondents born outside their current place of residence that have been staying in their current residence for more than a year are classified as in-migrants. Persons born at their current place of residence but who had moved out and lived outside their localities of birth for more than a year and have stayed in the current locality for a year or more or intend to do so are referred to as return migrants. Those born at their current place of residence that never have stayed away for a year or more are classified as non-migrants (Ghana Statistical Service 2008). While these definitions seem logical and suitable they do not capture seasonal and/or short term migration. As a consequence there is a risk of classifying these migrants as non-migrants. This is unfortunate as this type of migration is common in Ghana, especially in terms of rural-urban migration. When rural farmers cannot find adequate income at their origin during the agricultural off season they choose another strategy to compensate the lack of income - to migrate to urban areas, either voluntarily or out of force, to seek for temporary employment until cultivation is possible again (IFAD 2008).

Following the preceding discussion and the definitions in the survey, the term migrant used in this study refers to both in-migrants and return migrants. To incorporate short term migrants (i.e. respondents that have stayed in their current residence for a shorter period than one year) these individuals are also defined as migrants in this study Thus, all respondents currently living in an urban area, that previously resided in a rural area are defined as migrants, irrespectively of how long ago the respondent moved to their current residence.

### **2.1.3 Limitations**

The analysis is limited to the economically active population aged 15-65. These individuals are defined in GLSS as respondents who worked in the week previous of the study (including temporary absence from work). This definition entails people who work for pay, profit or family work, or who produced anything for barter or home use. Cash recipients as well as individuals paid in goods and services are included in the analysis.

Unfortunately information about spatial distribution of household income or intra household power relationships is not available in the dataset. This information would have been central to describe gender relations at the household level that might influence the migration decision. It is worth noting that 70 percent of all households are headed by men in Ghana (Ghana Statistical Service 2008). Men also have more secure economic positions in the form of wage work and formal contracts. Therefore it is expected that these characteristics equip them with a greater bargaining power in the household, and that their income opportunities are more heavily weighted when making the decision to migrate.

## **2.2 Migration theory**

The first part of this section provides an outline of general migration literature, while the second part further explores the theoretical base of this thesis, the New Economics of Labour Migration (NELM) and the influential Harris-Todaro model of the dual economy. Lastly, implications of the differences between these two models are outlined.

### **2.2.1 An overview over relevant literature<sup>1</sup>**

While migration is just as old as humanity itself, theories about migration patterns are a more recent phenomenon. Migration theory dates back to Ravenstein's seminal work on "The Laws of Migration" (1885) that sets out a number of determinants and truths about migration behavior, based on empirical migration data. These first insights about migration behavior have since then received considerable attention across different disciplines and a range of theories and models have been developed. Ravenstein's "truths" have been revised, disputed and evolved in different directions. In

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<sup>1</sup> This overview is based on Hagen-Zecker (2008 ) and Lall et al (2006)

the economics literature migration has traditionally been treated as an individual decision, primarily influenced by economic inducement (e.g. wage differentials between sending and receiving areas) but has gradually evolved towards the recognition of more non-economic variables, such as information and networks.

One of the earliest migration models explaining the migration decision is the one of Zipf (1946). In his work the concept of physical gravity is used, inspired by Newton's law of gravitation. The basic gravity model of migration emphasizes that the migration process between any pair of regions depends on the size of the population in each region and the distance attributes between the two regions. Migration was viewed as a static concept and predicted to be inversely related to distance (Lall et al 2006).

In the 1950's and 1960's, migration theory evolved to more sophisticated and inclusive theories. Sjaastad (1962) developed a groundbreaking model where individuals make a rational cost-benefit calculation of the expected discounted returns of migration over future time periods, migrating only when the expected returns are positive. Migration is treated as an individual investment decision to increase the productivity of human capital, thus focusing on the labour market, but at the same time explaining the selectivity of heterogeneous migrants. The basic model assumes complete information and no risk. People are predicted to move to where they can be most productive, given their skills and only if the net returns discounted over their time horizon is positive (Massey et al 1993).

The basic model looks like the following: a worker's earnings at home at time  $t$  is  $W_t^H$ . The present value,  $PV^H$ , of the lifetime earnings includes the discount rate,  $r$ , and sum until retirement;

$$PV^H = W_t^H + \frac{W_{t+1}^H}{(1+r)} + \frac{W_{t+2}^H}{(1+r)^2} + \frac{W_{t+3}^H}{(1+r)^3} + \dots$$

The present value of the earnings in the case of migration is given by  $PV^D$  in the same way. The cost of migration,  $M$ , incorporates the transport costs, as well as the psychological factors that occur when a migrant leaves behind her social network. If the net gain from migrating is  $PV^D - (PV^H + M)$  and if it is positive, the worker moves (Borjas 2008 pp 322). The age of the migrants obviously plays a significant factor here because the expected returns are discounted over the remaining lifetime until retirement. Therefore this model predicts that the young and educated migrate in the first phase (Hagen-Zenker 2008). This theory is useful when explaining the selectivity of migrants, but it has been criticized for ignoring more structural influencing factors and being

overly simplistic. In developing countries in particular the limits of the neoclassical models in explaining rural-urban migration has been more and more recognized (Chant and Radcliffe 1992 p. 18).

The dual-economy models of Lewis in the 1950/60s was one of the first theories to explain migration flows between rural and urban areas. In his “Economic Development and Unlimited Supply of Labor” (1954) migration is induced primarily by differences in the supply and demand of labor between the rural and urban sector (Hagen- Zecker 2008) In the Lewis model and the extended model by Ranis and Fei( 1961) internal migration removed “disguised unemployment” in the form of surplus labor employed in family farms from rural areas. Labor abundance implies a marginal productivity close to zero, and workers are assumed to share the output between them. As there is labor abundance in the sending area the labor loss has an initial zero opportunity cost. Additionally, unemployment is not accounted for, which makes migration virtually risk free (Ray pp 365). Given these assumptions the agricultural sector can provide a perfectly elastic labor force to the modern industrial and services sectors. Rural-urban migration is predicted to continue until all surplus labor is absorbed by the modern sector and economic development is viewed to proceed with the transfer of workers and agricultural output to the modern sector. In this framework, rural-urban migration is desirable to the extent that it ensures the efficient allocation of labor and accompanies growth (Lall et al 2006).

The Todaro (1969) and Harris-Todaro (1970) models augment the Lewis and Lewis-Ranis Fei models to account for the significant urban unemployment that was found in many developing countries. The focal point of the theory is to explain the existence of unemployment in urban areas and its link with internal migration. The authors show that it might be rational to undertake migration despite relatively risk free employment in agriculture and high urban unemployment, due to a positive expected income differential (Lall et al 2006). The pioneering work of Todaro and Harris-Todaro has been transformed and extended in a variety of ways and has evolved to be one of the fundamentals of rural-urban migration models in development economics. Accordingly, from the 1970’s to the early 1980’s the ruling explanation for rural-urban migration in developing countries was the response to intersectoral expected income differentials (Stark 1991 p 44).

In the early 1980’s more emphasis was placed on the collective ability on influencing migration decisions. Until now the migration decision had often been viewed as an individual decision and a cost-benefit analysis, while now the decision was viewed in a collective perspective. See for example “Family Structure and Family Strategy in Migration Decision Making” by Harbision (1981). Household behavior had up until then generally been modeled as if it behaves as a single entity with a common

utility function and income pooling. But the increased focus on the family paved way for the multi-person household modeling, where the household members have different utility functions. Two of the earlier contributions of this type is Mincer's "Family Migration Decisions" (1978), which is an extension of Sjaastads human capital model. The major point made is that the location of individual maximum might not coincide with the joint maximum of both spouses in the household, but that the migration decision still is taken on the grounds of maximizing the wealth of the family rather than of the individual i.e. the family as a whole migrates if their net gain is positive (Hagen- Zecker 2008)

The focus since the 1980s has leaned towards more elaborate microeconomic models and migration decision-making. While earlier analyses often see migration as an equilibrating mechanism more modern approaches link the micro and macro level and also include less economic concepts, for example social capital and information. See for example the value-expectancy model of Crawford (1973). It is a cognitive model in which migrants make a conscious decision to migrate based on more than economic considerations. The potential migrant's strength of migration intentions depends on a multiplication of the values of migration outcomes and expectations that migration will actually lead to these outcomes ( Hagen-Zecker 2008).

The most intricate behavioral models can be found in the development literature and the New Economics of Labor Migration (NELM). The discourse emerged in the 1980's and Oded Stark and David Bloom were major advocates of this theory. The realization can be traced back to their 1985 "The New Economics of Labor Migration" paper. In line with NELM migration is a way to increase livelihood opportunities and overcoming risk associated with agricultural activities, rather than income/utility maximization per se. Lucas (1997) provides a mostly empirical summary and see Stark (1991) for a presentation of NELM, and empirical studies where the model has been tailored in different ways.

## **2.2.2 The Harris-Todaro model and the New Economics of Labor Migration**

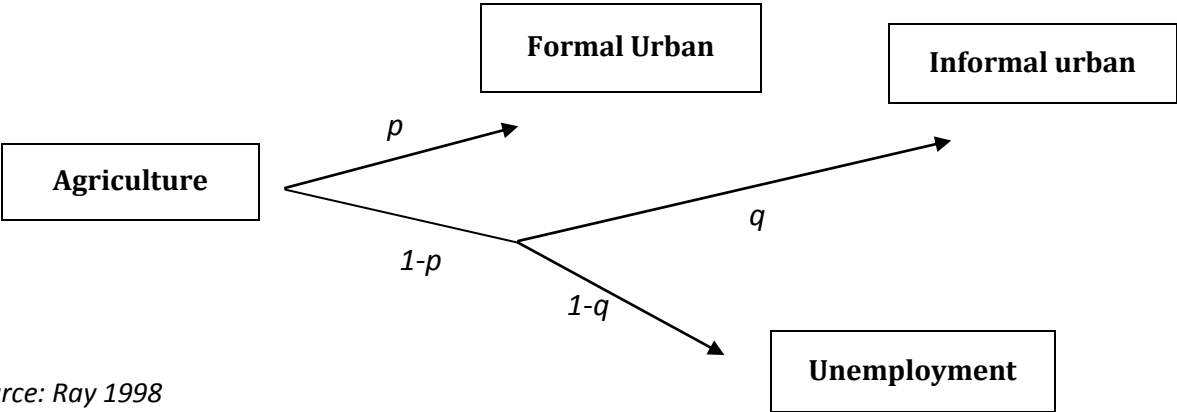
### **2.2.2.1 Harris-Todaro model of the dual economy**

In the basic model the economy is divided into two sectors; rural and urban. The rural sector is dominated by agriculture, while the urban sector consists of two labor markets, the formal and the informal. In the formal sector wages are high and rigid, weather the informal wage is lower and fluctuating according to supply and demand considerations. Agricultural wages are on the third hand

low, and less fluctuating. Migration is primarily driven by expected income differentials in the two sectors augmented by the institutionally determined high formal urban wages. In this framework there is perfect competition in the rural sector, and no surplus labor or unemployment, which ensures that the rural labor is paid according to its endogenous marginal productivity. Contrasting to the Lewis model this assumption contradicts the assumption of zero marginal productivity, which implies that outmigration from the rural area now may decrease the production in the traditional sector. The model predicts that rural-urban migration occurs as long as the expected real income differential between the two sectors is positive, but contrasting to the Lewis model the move is not risk free as many migrants end up unemployed or in the informal sector (Lall et al 2006).

The probability of obtaining a formal job is determined by the ratio of available formal jobs to the number of job seekers. The group of migrants that are not absorbed into the formal sector try their luck in the informal sector, or if worst come to worst, end up as unemployed. Thus the migration decision entails leaving behind a relatively secure employment in agriculture to pursue the risky and uncertain quest for formal urban employment and higher incomes (Ray 1998 pp 372). The expected income is a calculation based on a weighted probability of occurrence, added up over all outcomes. The agricultural wage,  $w_a$  is compared to an expected wage in the urban sector that is a combination of the formal,  $\bar{w}$ , and informal wage,  $w_i$  levels and the probabilities of ending up in respective sector. The probability of entering the informal job sector  $(1-p)$  is conditional on being turned away from the formal sector, and the probability of getting an informal job,  $q$ . Thus the expected wage in the urban sector is  $p\bar{w} + (1-p)w_i$ . But if the migrant is turned away from the informal sector as well he or she will remain unemployed with a probability of  $1-q$ . The expected value of this set of possibilities is  $qw_i + (1-q)0 = qw_i$ . Thus the total expected value is now  $p\bar{w} + (1-p)qw_i$  and this is compared to the agricultural wage by the migrant (Ray 1998 p 376)

Figure 1: Options to a potential migrant.



Source: Ray 1998

Naturally there are no guarantees that the migrant possesses adequate information about the probabilities, wage levels or skills required to enter the formal sector. There is wide recognition that rural-urban migration in some cases constitutes an unfair and very risky project, as income earnings often not is guaranteed prior to migrants arrival, and they often posses little knowledge about their destination area. The Harris-Todaro model has been highly influential in development economics, but when subject to empirical testing the expected income hypothesis has often provided contradictive results, both in terms of the signs of the coefficients and their significance. It has also been shown that people engage in migration even if the expected income in the urban area is not larger than in the rural (Stark 1991 pp 46).

The question remains why these people, despite the bad odds, choose to move. Is this type of migration irrational or are there reasons explaining this behavior that do not fit into the framework for migration in the income-differentials approach? Confronted with the empirical evidence contradicting the predictions and assumptions of the income differentials approach it is of the opinion of the author that the results are best explained by the NELM theory outlined below.

### **2.2.2.2 The New Economics of Labor Migration (NELM)**

The NELM theory deals specifically with developing countries. Therefore it does not only view migrations an act to increase income, but just as much a livelihood mechanism to compensate for the lack, or inadequacy, of certain markets (e.g. unemployment insurance or capital markets). Because in developing countries, and in rural areas in particular, institutional mechanisms for managing risk are often imperfect, absent or inaccessible for the poor. Moreover, credit and financial markets are often inadequate and credit is only available at high costs, and information is sparse and costly, given the lack of modern ways of communication (Stark p 50) For a rural family that wants to reduce income variability or that need credit to finance new projects these missing markets lead them to respond to their livelyhood insecurities in other ways- namely by migrating (Massey et al 1993). Migration is thus a way of overcoming these market imperfections for entire households in terms of risk management, income diversification and alleviation of liquidity constraints.

The NELM theory should not, however, be seen in isolation to other models. It is rather an extension of the income differentials approach to include risk and insurance. A central assumption is that households are influenced both by the mean and variability of income and the imperfect market environments that characterize migration sending areas constitute major determinants of migration (Hagen- Zecker 2008).

In the NELM theory migrants are predicted to come from the lower end of the income distribution.<sup>2</sup> Migration is treated as strategic planning made by the collective and the migration decision is viewed to be taken on the basis of survival and income diversification; a household maximizes joint income, status and minimizes risks and all three aspects contribute to the migration decision. The NELM theory does therefore not only address migration as a response to absolute income levels, but also in terms of social status with a relative deprivation approach. By doing this it is implied that individuals derive utility from wealth in two distinct ways: in absolute terms, by consumption levels, and in relative terms by social status (where the greater the wealth of an individual in comparison with a reference group, the greater the utility). Stark argues that, when holding the identity of the group that that migrant compares himself to constant, even a very small prospect of reaping a high increase in the status by migration, along with the increase itself, may be enough to prompt migration as a preferable alternative to non- migration even when the risk is very high (Stark pp 53).

Although the NELM theory focuses on the family as the decision making unit, the behavior of individuals should not be ignored. Many migration decisions are de facto taken by individuals. The point here, as argued by Stark, is that individual behavior should be explored in the context of a family (Stark 1991 p 47). The links and obligations to the family are solid and the basic motive for individuals to act together is the potential to gain more than if they were acting on their own.

The NELM theory also provides a framework for why household send off one of their members as migrants. In West Africa sequential migration is common, where one member of the household initially migrates, and then is followed by the rest of the household (Chant and Radcliffe p. 17). This behavior may be explained by the concept of risk diversification set out in NELM. In rural areas most individuals, and often entire households, are engaged in farming activities. If public social protection is limited the household has very constricted options to make investments or to reduce variations in income. The narrow options lead the household to choose another strategy- namely sending a family member to the urban labor market (Hagen-Zecker2008). In order to enable migration the family provides a mutual coinsurance framework where the costs of migration are covered by the family. Initial costs of migration are high as entering high paying sectors may fail. The migrant may also experience a period of involuntary unemployment. Entering low paying sectors may be easier, but the informal sector is typically coupled with a high probability of employment discontinuity (due to the absence of regulations and the sensitivity to market fluctuations). When employment is secure remittances is sent home to the family for their consumption and investment activities (Stark 1991

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<sup>2</sup> With the exception of the most deprived households. For them bare survival is more pressing and they do not possess the means or can take the risks associated with migration

pp 221). By sending off a family member and allocating their labor assets over different geographical markets families may gain two fold if both parties are risk averse but experience different risks at different times. This arrangement can enable the unit to smooth its consumption over time (Lall et al 2006) Stark argues that as long as there is less than perfect positive correlation between the incomes of the migrant and the non-migrant, the variance of the family income is reduced. In a nutshell the theory holds that migration- whether it consists of sending a family member or the whole unit- is based on family needs for stable income levels and insurance.

### **2.2.2.3. The Harris-Todaro model versus NELM**

The implications of Stark's family-based risk diversification model are somewhat different from those of Harris and Todaro's individual income-maximization model. First, because the NELM theory considers a wide range of factors affecting the migration decision earnings differentials between sending and receiving areas are not required. Other factors may play a more important part. Second, migration decision making is influenced by both the mean and variability of household income. And therefore, although has not been increased by the move, it may not be regarded as a "failure" if variability (e.g. risk) has been reduced. Furthermore, if the household sends one member off as an act of co-insurance between family members it simply requires that fluctuations in earnings in the two locations be weakly, or even better, negatively correlated. Hence economic development in areas of origin or equalization of wage differentials will not decrease the propensity to migrate automatically. Fourth, the model implies that migration arises from a lack of access to capital markets in sending areas as well as from a scarcity of well-paying and productive employment. If families had some way to hedge against risk by purchasing insurance, like borrowing money for example, the motivation to migrate might be reduced (Massey 1993). Fifth, NELM also argues that it might be rational for a rural resident to migrate to an urban area even if it involves a *lower* expected wage income if the return on investment increases with the level of investment in the rural area. In this way a small additional income by the urban migrant might enable a very beneficial investment in the home village. Interestingly, this predicts that migration flows could originate from regions with a high production potential but with capital market imperfections whereas the Harris-Todaro model would only predict migration from regions with a low production potential (Lall et al 2006; Stark 1991 p 56).

The reasons for migration as set out in NELM hinges on two explanations: as a way of overcoming constraints imposed by the imperfect rural capital markets and high risk, or as a way of improving

rank or status in absolute income levels. On the contrary Harris-Todaro only considers absolute income levels. Furthermore, the NELM theory assumes that earnings from urban bound migration are mainly channeled into investment activities, whereas Harris-Todaro assumes a similar consumption/investment ratio in both scenarios (Stark 1991 p 56). In Ghana rural dwellers face high levels of risk, imperfect financial markets and few employment opportunities outside agriculture, while urban areas have better infrastructure and provide greater opportunities for income diversification and wage work (Bokaye -Yiadom 2008). In this sense Ghana is a typical case as set out in NELM. Therefore, although this thesis does not focus on migration decision making, the NELM theory provides valuable insights into factors that might influence the rationale beyond the decision to migrate, and also the outcome that is beyond the grasp if the income differentials approach. It is of the opinion of the author that it is likely that in Ghana rural dwellers do not only migrate to the cities in order to earn more money, but also to overcome the restrictions imposed on them in the rural missing markets, high risk and restricted employment opportunities.

### **3. GENDER, MIGRATION AND DEVELOPMENT**

#### **3.1 The household approach in a gender perspective**

The development of the household strategies approach to migration, as compared to focusing on the individual, constitutes a major improvement when analyzing why men and women's mobility take different forms. Because since adopting the narrow economical perspective that wage-driven models offer it is implied that women are in a position to decide where and when to move. But on the contrary women (and men) migrate not only because of economic motives, but also due to social constraints, to get married or following spouses that are seeking employment, among many other reasons. Family obligations play an important part and it is also evident that a wider framework for decision making is appropriate as very few individuals are isolated actors that take decisions without regard to other human beings. The neoclassical model has very little to say about these variances in migration, and by that many important reasons for migration are ignored (Chant and Radcliffe 1992 pp 201). The household perspective on migration takes a broader range of factors into account, impacting upon both male and female movement (ibid p 200). Therefore the household approach is most relevant when analyzing gender differentials in migration.

By adding more sophisticated variables other migration factors, like gender biases within the household, have also received increased attention. The family migration literature remains concentrated around the human-capital model of migration, despite the increasing empirical evidence that suggests that family migration decisions are gendered and contradicts its main hypothesis: that decisions to migrate are egalitarian and symmetrical (i.e so that both spouses relative and absolute earning power is equally weighted in the migration decision).<sup>3</sup> The households approach does not take intra-household imbalances in decision making into account, consequently, the recent focus placed on the family as a decision making unit has been criticized for not taking gender hierarchies into account (United Nations 2006).

The bargaining power of each family member is influenced by an array of factors, where some, like economic assets, are measurable and other qualitative aspects are less so, like social roles and hierarchies. Relative bargaining power in the family is reflected in who is taking part in decision making and whose opinion is most valued. Outcomes are demonstrated in intra-family divisions of resources, goods, tasks and services etc. Therefore the household theory about migration decisions

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<sup>3</sup> See Cooke (2003) for further explanation about the reasoning behind the assumptions about the symmetrical and egalitarian concept of the human-capital model of family migration

constitutes an important departure from earlier neoclassical models of migration, but with some restrictions; it shifts focus from the individual to the importance of family but unfortunately it does not account for the fact that households may be sites of unequal power relations in decision making, even affecting migration decisions (Omilaniuk 2005). Gendered models of migration ultimately addresses the factors that determine the relative earnings potential of husbands and wives outside the migration decision, and focuses on how gender roles and hierarchies constitute the foundation of how family migration decisions are made.(Cooke 2003) Taking these factors into account would greatly improve the understanding of female and male migration.

### **3.2 Gender equality- why does it matter?**

*“...the full and complete development of a country, the welfare of the world and the cause of peace require the maximum participation of women on equal terms with men in all fields...”* (United Nations 2003).

The core of the importance of gender equality is that it a human right; women, as well as men, are entitled to live in dignity and in freedom from fear and discrimination. But additional to the moral aspect of gender equality empowering women is also an indispensable tool for advancing development and reducing poverty (UNFPA 1). The relationship between gender equality and economic growth is complex, but it can be narrowed down to that sustained and equitable growth depends on the levels to which a country develops, but also to what extent it's actively involves the full capabilities of its human resource (UNDP 2007). Simply put; economies tend to grow faster, more of the poor move more rapidly out of poverty, and the well-being of the population is improved.

Many empirical studies have confirmed the importance of gender equality for development and economic growth. See for example Morrison, Raju, and Sinha (2007) that reviews findings from economic analyses of the role of gender equality and women's empowerment in reducing poverty and stimulating growth, and the empirical study by Seguino (2000) that explores the macroeconomic effects of gender differentiations in education and labor markets. The importance of gender equality for sound economic growth and development has also been embraced in many international policies,

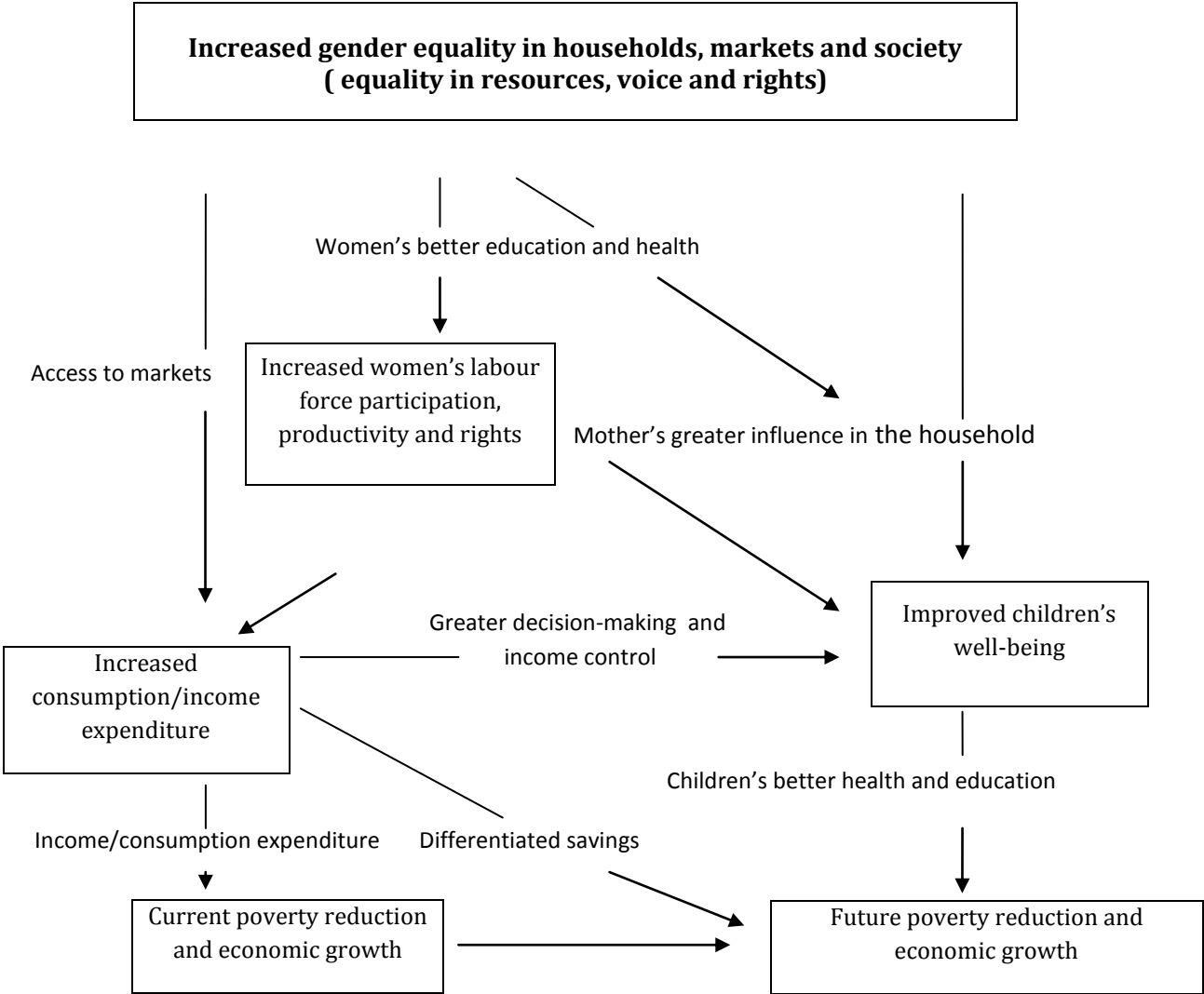
such as the Beijing Platform for Action (BfA), the Convention on the Elimination of forms of Discrimination against Women (CEDAW) and the Millennium Development Goals (MDG's)<sup>4</sup>.

Moreover, men and women often use wealth in different ways, affecting household expenditure patterns on food, health, education and household services. In addition women with better education may be able to provide better nutrition for their children, holding spending levels constant. Thus, higher levels of employment and earnings for women not only contribute to current economic growth but also have intergenerational implications towards better health and education levels in the future (Cooke 2009). Empirical studies have also confirmed that women often spend a larger part of income on food and education, which results in better human capital among the children (Deere and Ross 2006). See for example Doss (2006) that investigated women's share of assets within households in Ghana. The corresponding spending patterns show that when women's shares on assets are increased spending on food, education, durable goods are increased while spending on tobacco, alcohol and recreation is reduced. In a nutshell increased access to and control over resources and opportunities for women not only improves the economic status of themselves but also creates a multiplier effect for economic growth today and in the future (United Nations 2008). Figure 2 below shows a general picture over the relationship between gender equality and economic growth

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<sup>4</sup> MDG 3: To promote Gender Equality and Empower Women (United Nations 2005)

Figure2: A framework for gender equality, poverty reduction and economic growth



Source: Based on Morrison, Raju, and Sinha 2007.

### 3.3. Gender equality and linkages with migration

Gender transects all aspects of societal organization and therefore it is also central in the context of migration. The identities, expectations and inequalities that embodies the social roles of men and women also affects the decision making involved with enacting migration decisions, as well as the causes and consequences of migration in itself (United Nations 2006) A gendered approach to migration does not only entail “what women and men do” but just as much why they act in a certain way, what is expected of them, and their ability to make decisions. Many studies have shown not

only that migration is differentiated on a gender basis but also that welfare outcomes for female migrants is conditioned on gender disparities ( Chant and Radcliffe 1992 p 1; United Nations 2006).

For both women and men, economic, social political conditions provide the general context within which migration decisions are made. Broadly speaking, the migration decision entails weighing the costs versus the benefits of migration, but these costs and benefits are differentiated on a gender basis. Gender differentiations of migration include the type of migration (temporary, permanent, regular, labor, natural disaster- or conflict-induced, independent or as dependent spouse) and gender relations within the household, such as labor market characteristics and time use (Jolly and Reeves 2005). Ex post the vulnerability of migrant women may be exacerbated through general labor market conditions such as discriminatory wages, and/or restraints for entering the labor markets and attitudes and expectancies coupled with being male or female in receiving areas.

While migration is influenced by already prevalent gender disparities, migration is also a transforming experience, which has the potential to improve or worsen the position of women. Migration brings about a new context per definition, and this might lead to a restructuring of activities or responsibilities within the household. The changed relations may in turn advocate for a change in the relative power relations within the households. It has been shown that increasing women's earnings and share of family income empower women by strengthening their bargaining power in the household (Cooke 2003). Migration resulting in an increase women's income, or share of total family income may therefore have a positive impact on women's dependency or lack of autonomy within the household. But while relative earnings of the spouse is an important aspect of bargaining power, bargaining power depends on a large number of factors, where some are quantifiable and others are not. Social norms and perceptions of contributions and needs of men and women are two other important aspects of bargaining power, which are less likely to be influenced by migration. Relative earnings are a very important factor however, because although money alone does not make for empowerment "*wages are a trigger for other activities...*" (Chant 2007 p 35). Indeed, for many poor women migration has strengthened their agency within structures that generally offer them few opportunities (Omelaniuk 2005) and with increased bargaining power women may raise their voices regarding decisions about their- and their families' well being..

In a nutshell gender influences migration; who migrates and why, and how the decision is made and how migration impacts on migrants themselves and on sending and receiving areas. At the same time migration influence gender relations; the already existing differentials may be enhanced, challenged and/or redefined (Jolly and Reeves 2005). The mobility of labor, employment and welfare for

migrants are conditioned by gender disparities in the society, and as a sequential effect it influences the overall economic performance of the country.

Empirical evidence point out that women's migration is higher when women's earning potential is more highly valued and when they have access to local labor markets and income-generating activities (Chant and Radcliffe 1992 p 29). This element of migration has significant policy implications; overcoming the obstacles of gender equality makes good development sense as it improves the mobility of labor and increases employment and productivity.

To sum up: the discussion above indicates that migration can be both a source and an effect of greater empowerment of women, but that neither linkage can be taken for granted. Therefore both development and migration policies must be developed under a gender lens, in order to take full advantage of the potential of all citizens in a country, and for all citizens to benefit from policies. By researching into the linkages between gender hierarchies and migration, policy makers would be provided with empirical evidence to outline efficient policies to empower women in these directions (Awumbila 2006). Still, mainstream migration research does not often take the differences and inequalities between men and women of the migration experience into consideration (United Nations 2006).

## 4. GHANA

### 4.1 Socio-Economical overview

Ghana is located in West Africa. It borders to Cote d'Ivoire in the West, Burkina Faso in the North and Togo in the East, and shares a frontier with the Gulf of Guinea in the south. Ghana is administratively divided into ten regions and three ecological zones. The climate is tropical but with regional differences reflected in the ecological zones (Coastal, Forest and Savannah) It is comparatively dry along the southeast coast, hot and humid in the southwest and hot and dry in the north. As a result of British colonial policy, as well as distinctly different ecology, development patterns in Ghana are characterized by a north-south divide in which the north lags far behind the south (Al- Hassan and Diao 2007). 28.5 percent of the population live below the poverty line<sup>5</sup> (2006) and the distribution ranges between one percent in Urban Coastal and about 50 percent in Rural Savannah (Ghana Statistical Service 2007). Ghana ranked 152<sup>nd</sup> out of 182 countries in the United Nation's Human Development Index (HDI) 2009, which measures life expectancy, adult literacy and per capita income (UNDP 2009). English is the official language, but there are 10 major national languages, each with more than 250,000 speakers.

Following independence in 1957 Ghana went through changes in the government systems. In 1966 the independence leader, Kwame Nkrumah was overthrown and during the following 15 years Ghana was subject to a series of military coups. In 1979, air force officer Jerry Rawlings led a coup against the ruling military junta and, as promised, returned power to a civilian government. However, he seized power again in December 1981. In the late 1980s Rawlings agreed to legalize political parties and hold elections, after increased civilian demand for democracy (UNHCR 1). Rawlings won the voting, but the elections were considered subject to electoral fraud. However, in the five elections held since 1992 observers have noted that the level of fairness and transparency in the elections has improved, and Ghana's status as a stable democracy is now considered secured (African Development Fund 2008). The current president, John Evans Atta Mills from the National Democratic Congress (NDC) took office in 2009.

Ghana is well endowed with natural resources, and has about twice the per capita output of the poorest countries in West Africa (CIA 1). The democratic evolution has been considered a great success, but on the other hand, the economic performance has been an issue of greater distress. At the time of independence in 1957 Ghana was one of the most developed Sub-Saharan countries in

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<sup>5</sup> Representing US\$1 PPP per day to January 2006 prices, using locality specific consumer price indexes

terms of income and infrastructure, it continued to develop until the early 1980's when political instability, unfavorable external terms of trade (e.g. low international prices for cocoa and gold) and unsuitable development policies, coupled with famine and draught, led to a recession of the economy. The 1990s were also marked with slow performance, but the economy started to recover around 2001 and has been growing steadily in the 21<sup>st</sup> century ( African Development Fund 2008; Awumbila et al 2008) However, the economy remain dependent on agriculture, which makes up a large share of GDP and employs a majority of the labor force. Additionally, the persistent dependence on export of a few primary products has made the economy very vulnerable to external price fluctuations, and the economy remain dependent on financial aid ( ILO 2006). A small number of key exports, namely cocoa, timber and gold, constitute the largest source of export generated income and the main trading partners are the European Union, United States, Nigeria and Togo.

Table 1: Ghana at a glance; Selected Macroeconomic variables 2000 and 2008.

<b>Ghana</b>	<b>2000</b>	<b>2008</b>
Surface area (sq. km) (thousands)	238.35	238.35
Population, total(millions)	19.53	23.35
Population growth (annual %)	2.4	2.1
Life Expectancy at birth, total (years)	58	57
Under 5 mortality rate (per 1000 live births)	112	115
HIV prevalence (ages 15-65)	2.4	1.9*
GNI/capita, PPP (\$US)	900	1,430
GDP (\$US billion)	4.98	16.12
GDP growth (annual %)	3.7	6.2
Agriculture, value added (% of GDP)	35	32
Inflation, GDP deflator (annual %)	27.2	18.0
Official development assistance and official aid (US\$ millions)	600	1,151*

Source: World Bank 1) 2009

\*2007

## 4.2 Urban-Rural differentials

There are large discrepancies between rural and urban areas in Ghana. In general rural dwellers face high levels of risk, fluctuating incomes and restrictions for access to social and financial services, while urban areas by and large provide greater opportunities for income diversification and wage work ( Bookye-Yiadom 2008). In the following section the most prominent urban-rural differentials are outlined.

### **4.2.1 Poverty and agriculture**

Just like in many other African countries, poverty in Ghana is concentrated among farmers and those working in the informal economy, which is growing in size (ILO 2006). As much as 86 percent of the total population living below the poverty line resides in rural areas, and almost half of those earn their living as food crop farmers (African Development Fund 2008; Ghana Statistical Service 2007). Poverty is concentrated to the northern region and in particular in rural Savannah where the poverty incidence is 50 percent and over 70 percent of the population is in agriculture, compared to a national average of 56 percent (Al-Hassan 2007; Ghana Statistical Service 2007). In these areas of the country, livelihood options are insecure and many people suffer as a result of food insecurity during the time of the year when cultivation is impossible and growing season is over (there is only one short rainy season, followed by a long period of dry and hot weather fueled by the dry harmattan wind from the Sahara Desert). Across all regions poverty incidence is 10.8 percent in urban areas, compared to 39.2 percent in rural areas (Ghana Statistical Service 2007).

### **4.2.2 Employment, unemployment and education**

Households residing in urban centres earn their livelihood mostly from wages and salaries, followed by income from non-agricultural activities, while the majority of the rural households are from agricultural activities. In urban areas, employees (34.8 percent) constitute the second largest category after own account workers (47.2 percent), whereas in rural areas, contributing family workers (27.5 percent) are the second most populous group after own account workers (59.4 percent).

The unemployment rate is however more pronounced in urban areas than in rural. The rate is highest in Greater Accra with 8.9 percent, followed by other urban areas (5.0 percent). This is to be compared with the rural average of only 1.6 percent. The unemployment rate is slightly higher for males in urban areas, but the reverse is the case in rural areas (Ghana Statistical Service 2008).<sup>6</sup>

Regarding levels of education, the rural/urban gap is also persistent; countrywide educational qualifications are significantly higher in urban areas, and almost 70 percent of adults in urban areas

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<sup>6</sup> In the survey respondents are defined as employed if they did any work for pay, profit or family gain during the reference period, (seven days prior to the interview) including temporary absence from work. Respondents are considered unemployed if they did not have work but were actively seeking work, or were, available to take up work had they been offered some during the reference period (Ghana Statistical Service 2008)

are literate as against 40 percent of adults in rural areas (Ghana Statistical Service 2008). Being illiterate hampers the ability of obtaining employable skills and thus restricts employment opportunities. Employment opportunities outside agriculture in rural areas are confined, and coupled with illiteracy and general low levels of human capital, the resulting scenario is that many individuals find themselves restricted to self employment in farming and petty trading.

### **4.2.3 Access to markets, employment and savings**

In terms of access to financial markets, the differentials between rural and urban areas are persistent as well. Across all localities the most common source of loan is relatives, friends or neighbors, with the proportion of loan recipients higher among male-headed households than among female-headed households. Formal institutions constitute a small proportion of all loans provided; about three in twenty male-headed households and about one in ten female-headed households that reside in other urban areas ( i.e. all urban areas with the exception of Greater Accra) have loans from state banks. Among the rural population less than 10 percent receive loans from the state bank, both among male- and female- headed households (Ghana Statistical Service 2008)

Rural areas have higher proportions of households without saving accounts (78 percent) compared to urban areas (61 percent). Among localities, rural savannah households have the highest rate of almost 85 percent without savings accounts. This is followed by households in rural coastal and rural forest with about 75 percent and 73 percent, respectively. There is also a contrast in ownership of assets and consumer durables such as stove, refrigerator or sewing machines, between urban and rural areas. Ownership of most items is highest in Accra followed by other urban areas. Ownership is also higher in rural coastal and rural forest than in rural savannah for most assets. Ownership of land or plot is, however, almost the same across the rural areas (about 33 percent) (Ghana Statistical Service 2008).

### **4.3 Gender disparities in the Ghanaian society**

The Ghanaian traditional system is diverse in social organization and socio-economic structures. It is a multi-cultural country encompassing a range of different structures of kinship among the ethnical and religious groupings. Nevertheless, aside of the differences in societal organization, it can be stated that traditionally women in Ghana have been assigned a less public and autonomous role than their male counterparts in favor for household responsibilities (UNDP 2007). The imposition of colonial rule put further restrictions to women's participation in economic, social and political roles outside of their home. The post-independence development initiatives continued to draw from and build on existing patriarchal structures in ways that resulted in the deepening of social and gender divides (African Development Fund 2008).

In more recent times, considerable steps have been taken to ensure women's rights; the 1992 constitution of Ghana outlaws discrimination on the basis of gender/sex and all persons are also guaranteed the opportunity to participate in decision making at any level (article 35). Thus, in principle, women are free to take up any position within the political and administrative systems of the country. Significant progress has also been made in terms of integrating gender equality into the development agenda in Ghana. While this is encouraging to note, the reality is still that deep-seated socio-cultural structures, systems and practices continue to discount the competence and capabilities of women in both private and public life. There are still many issues that have to be considered regarding gender equality in Ghana and the most prominent gender disparities will be outlined below.

#### **4.3.1 The gendered distributions of poverty**

Feminist literature has long been advocating for a more inclusive concept of poverty beyond income/consumption measures that take power relationships, unpaid work, reproductive rights, violence against women (VAW) time use, access to services etc. into consideration. Because even though men and women share many of the burdens of poverty in Ghana, the manifestations and adaptive responses are very different (Awumbila et al 2006) In this vein poverty is not only about lack of income but just as much about voicelessness, abuse, lack of autonomy (Chant 2007 p. 44). When adopting this perspective it is instantly recognizable that women in Ghana experience poverty in both poor and non-poor households due to inequalities in human capital (health, education) , dependency and lack of decision making over household assets, but also limited access to land, labor,

credit, ownership of land and markets to improve their income and reduce poverty<sup>7</sup> (African Development Fund 2008).

#### **4.3.1.1. Education, health and time use**

Ghana has succeeded in achieving gender parity in primary education, but this is yet to be realized in the senior secondary and beyond levels. The differences in enrolment rates are partly due to that when resources for children's education are limited it is usually the girl child that has to stay at home. Furthermore, higher dropout rates for girls are also due to early marriage and/or pregnancies. In 2005/2006 at the secondary level, women comprised 43 percent of the total enrolment rate, and the corresponding number for public universities is a meager 34 percent (African Development Fund 2008).

In terms of health, maternal and infant mortality rates are high, and there is wide-spread – and gendered – incidence of disease. Abortions, pregnancy-related complications and malaria in pregnancy remain common, and HIV/AIDS is said to be more strenuous on women than on men due to women's economic, socio-cultural and physiological vulnerability to the illness. The ability to access public services is often subject to gender-specific biases that restrict women's access. Physical access to services is frequently a restricting factor: the costs, time and insecurity of travel to clinics and schools that are located far from their homes are inversely related to their likelihood of accessing them. Women's ability to utilize public services may also be affected by requirements to master official languages (as opposed to local dialects) and a level of formality and bureaucratic etiquette (African Development Fund 2008).

Regarding time use women spend much more time than their male counterparts on non- market activities within the households. This pattern is rooted in historical gender divisions of labour and this fact does not only affect the intra-household dynamics and relative bargaining power, but women's time available for income generating activities is also more restricted than for men (Baden et al

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<sup>7</sup> In terms of physical deprivation it has been shown that female headed households actually are on average less poor. Furthermore, during the period between 1900/91 to 2005/06 the incidence of poverty in female headed households decreased more than male headed households (African Development Fund 2008; Ghana Statistical Service 2007). But while this is encouraging to note, it does not show the complete picture as living conditions for men and women differ and wealth may not be shared equally even within the same household.

1994). In GLSS5 questions were asked about how much time people spent on housekeeping activities, such as cleaning, cooking, fetching water and firewood and care for elderly and children . Except for running of errands, females spend more time on all the other housekeeping activities than males, and the difference in time spent is more pronounced in cooking and child care (Ghana Statistical Service 2008).

#### **4.3.1.2. Violence against women**

Violence against women (VAW) continues to be widespread and generally accepted in the Ghanaian society. <sup>8</sup> VAW is a manifestation of power hierarchies between man and women, and the effects are extensive and with long-lasting consequences and costs. It lowers women's economic productivity diverts resources from public services, and reduces capital formulation (United Nations 2006). Although national statistical data are not available on domestic violence in Ghana, many case studies have indicated a pervasiveness and of the problem that affects women of all ages, girls and a very small number of men ( African Development Fund 2008). An example is a study carried out by Actionaid in the three northern regions in 2007, about the linkages between violence and HIV/AIDS in. In the study respondents confirmed the widespread acceptance towards wife beating and identified ignorance about women's and people's rights, misinterpretation of religious and cultural practices, the power gap between females and males, disregard to the decision of women, sex, poverty and lack of formal education as causes of violence against women (Actionaid 2007). In the nationally representative Multiple Indicator Cluster Survey (MICS) 2006, carried out by UNICEF, 66 percent of all surveyed women and 56 percent of all surveyed men justify wife beating. The likelihood of acceptance of wife-beating is significantly higher in rural areas, and higher in the three northern regions (UNICEF 2006)

#### **4.3.1.3. Property rights; ownership and land inheritance**

Ghana is progressing in reforming legislation to protect the rights of women and girls on the whole, although the advancement has been slower with regards to reformations of property rights. In rural areas, where opportunities for education and wage employment are limited, and where the dwellers are dependent on land holding, this is particularly serious. Most of the land (80 percent) in Ghana is managed by customary traditions, which in some cases are discriminatory to women. The existing

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<sup>8</sup> Note: In 2007 the government passed the Domestic Violence Act ( Act 732) where domestic violence is defined as specific acts, threats to commit or likely to result in; physical abuse, sexual abuse, economic abuse, emotional, verbal and physiological abuse, or harassment. See United Nations (2007) for further specifications.

legislation does not expressly discriminate against women, but the structures of the various land management systems tend to restrict women to take advantage of constitutional laws and procedures for enforcement. Furthermore, women do often have the information about their rights to assert and enforce their land rights (IFC 2007). The practices often denies women the right to own and claim power over land or resources in the time of divorce or death of their husbands, as they often are based on male biased land ownership arrangements. Therefore, women often lose the security of land holdings as a result of divorce or death of their husbands (African Development Fund 2008; World Bank Group 1999). The consequence is that, women's agricultural partnerships and use of land resources are affected, and the uncertainties reduce their willingness to take risks. Insecure access to land and a history of losing land rights also discourage long term investment or development in their own land. Estimations of the productivity losses due to women's' insecure land holdings state that if women and men had equal land rights and tenure security women's' use of fertilizer and profits/ hectare would almost double.( World Bank 1 2009)

#### **4.3. 2 Labor market characteristics; the segmentation of the labor force**

Gender inequalities in all labor markets in Ghana are palpable and very pervasive. Similar to societies worldwide women and men are concentrated in different spheres, fuelled by an ideology of what constitutes "women's work" (Brydon 1992). In Ghana this has resulted in that women are concentrated in the types of employment for which the risk of poverty is high; in food production, unpaid workers on family enterprises and self-employment. The informal sector entails a greater number of women than men, due to their low level of skills and education and lack of economic resources (UNDP 2007) and only a very small number of women have broken through into modern sector occupations and even fewer into managerial positions (African Development Fund 2008). Additionally, differences in social capital and education also implies that many potential women entrepreneurs are constrained by poor understanding of the value of savings and poor access to credit, coupled with lack of business knowledge and limited access to formal sector financial services (Baden et al. 1994). Table 2 below shows how the employment status is differentiated between the sexes. Men in Ghana form larger proportion in all employment categories except in the cases of contributing family workers and own account workers, where the proportions of women is significantly larger. In particular, the proportion of male employees is about three times that of female employees. This confirms that women predominate in the type of poverty, and insecurity is high, whilst men generally have more secure economic positions in terms of wage work.

Table 2: Main occupation of the currently employed population ages 15-64, by locality and sex

Employment Status	Urban			Rural			Ghana		
	Male	Female	All	Male	Female	All	Male	Female	All
Employee	49.7	20.1	34.8	13.8	2.8	8.0	27.0	8.9	17.6
Employer	7.4	5.5	6.4	4.2	2.7	3.5	5.4	3.7	4.5
Own Account Worker <sup>9</sup>	33.8	60.3	47.2	64.3	55.0	59.4	53.1	56.9	55.0
Contr. Family worker	4.1	11.0	7.6	16.2	37.9	27.5	11.7	28.5	20.4
Apprentice	4.7	3.0	3.8	1.5	1.5	1.5	2.7	2.0	2.3
Other	0.3	0.1	0.2	0.1	0.0	0.0	0.2	0.1	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Ghana Statistical Service 2008

Regarding earnings men, on the average, receive more hourly pay than females across industry sectors with the exception of manufacturing, transport and communication, and public administration.<sup>10</sup> Across all employment categories males earn an average 0,61 cedi (US\$ 0.42) per hour and women 0.5 cedi ( US\$ 0.35)<sup>11</sup> per hour (Ghana Statistical Service 2008). Table 1 below shows main occupation for the currently employed in Ghana, by sex and locality.

To sum up; gender disparities in Ghana are rooted in cultural traditions and societal organization, which was further reinforced by the colonial system. As a consequence, despite the recent efforts made to empower women, they continue to suffer societal discrimination affecting their health, productivity, time use, power and decision-making, poverty and employment. The subordinate role of women hinders women in Ghana to make decisions regarding their own lives and the lives of their families. In some cases this can constitute a hindrance to escaping poverty. For the women in Ghana this implies a high numbers of infant deaths, undernourished families, high maternal mortality, lack of education for children, insecure land holdings and domestic violence, among other insecurities (IFAD 2008).

<sup>9</sup> Own-account workers are those who are "working on their own account or with one or more partners, hold the type of job defined as a self-employed job, and have not engaged on a continuous basis any employees to work for them during the reference period" ( ILO 2001).

<sup>10</sup> The other employment categories are: agriculture, fishing, mining, electricity, construction, trade, hotel and restaurants, financial services, real estates, education, health and social work, other community services, activities of private households and extra territorial organizations.

<sup>11</sup> October 18 2009 exchange rate

## **4.4 Ghana Migration Profile**

### **4.4.1 Historical migration patterns**

Ghana, like most countries in West Africa, has a long and intricate history of both internal and international migration. Historical studies of internal migration have confirmed rural-urban migration to be the most predominant movement; from time immemorial farmers migrated in search of empty land for the cultivation of crops when conditions were harsh or when seeking to expand their farming activities. The ecology in the south has historically attracted the largest number of migrants, due to its favorable climate and two rainy seasons, as opposed to the dry savannah areas in the north. Historically migrants were men who moved to the agricultural and mining communities in the south, while female migration consisted of dependant spouses joining their men or relatives (Awumbila et al 2008).

This pattern continued in the colonial era, when laborers were recruited from the northern regions by the British colonizers. The northern regions were deemed to have little economical value and were thus decided to constitute a labor reserve for the mines and development of the cities in the South (Anarfi et al 2003). On the other hand the forests and coastal belts in the south were subject to the construction of harbors, production of minerals, cash crops and timber products. The demand for labor was also prominent in the cocoa industry during this time, and the high wages provided an incentive for workers to enter this market. The recruitment of workers to the cocoa sector was facilitated by the fact that the agricultural off season in the northern territories corresponds to the period of peak agricultural demand in the cocoa regions of the forest zone. Laborers from the northern territories could thus migrate to the south to work on a seasonal basis and return home for the single growing season. In the 1970's and 1980's the downturn in the cocoa industry brought about an accorded fall in seasonal demand for labor at the cocoa farms. This caused a major decline in this type of migration. The seasonal migrants instead sought employment in the informal sectors of the cities or in neighboring countries such as Côte d'Ivoire and Togo but also to the middle zone that is rich in natural endowments. This area particularly attracted a large number of seasonal and permanent migrants during the rapid social- economical development in these parts in the 1980's (Anarfi et al 2003).

Post- independence, most of the investments made by the government besides agriculture in the industrialization strategy was focused to the urban areas. Most public corporations established to create employment were located in the city centres, and these further attracted migrants from rural

areas. Minimum wage legislation was also implemented to protect the interest of organized urban employees, and these minimum wage rates, which in some cases were put above the market clearing wage rate, further reinforced rural-urban wage differentials and encouraged rural-urban migration. The extension of the road network and improvement in infrastructure further enhanced the incentives to migrate as it decreased the cost (and risk) of transportation. The discrimination against agriculture was further reflected in urban biased policies such as industrial protection and cheap food policies. These policies made it difficult to survive as a farmer as it greatly suppressed the farmers' incomes and encouraged a shift of labor out of agricultural production and a subsequent increase in rural-urban migration. However, macro-economic and sector-specific policy reforms initiated in 1983 contributed to improving the domestic terms of trade in favor of the rural sector and in so doing encouraging urban-rural migration. Urban dwellers now returned to the farm, and during the following period, those moving from non-agricultural jobs into agricultural work outnumbered the reverse stream of migrants (Anarfi et al 2003). In more recent years the high population growth has increased the supply of labor, but also put pressure on the available cultivable land. This has aggravated the efforts to enhance development and spur poverty reduction in these regions dominated by agriculture. Soil fertility is decreasing and natural resources such as wood for cooking and drinking water are becoming scarce, while diseases due to unsanitary conditions are increasing (European Commission 1). In the Upper East region in particular, infertile soils and lack of local services are seen as contributing to out-migration (Black et al 2004).

#### **4.4.2. Current migration patterns in Ghana**

Ghana continues to have a highly mobile population; a little over half of the population aged 7 years and older in Ghana are migrants. Return migrants constitute 33 percent while in-migrants make up 19 percent. With regard to the localities, rural forest has the highest proportion of migrants. This is followed closely by Accra (GAMA), rural coastal and other urban, each of which has over fifty percent. On the other hand, the rate for rural savannah is the lowest (43 percent). In general there is less migration in the northern than in the southern regions of the country. Differences in terms of sex are minor except in rural savannah where the proportion of female migrants is much higher than that of males (Ghana Statistical Service 2008)

While rural-urban migration traditionally has been the most dominant migration stream in Ghana, the trend has now been reversed and urban-urban migration constitutes the most dominant form of migration. In Accra this pattern is particularly pronounced; about 90 percent of all migrants are from

other urban areas, while about 7 percent are from rural areas. Rural-urban migrants to other urban localities constitute 21.6 percent of all migrants. See Table 3 below for details.

Table 3: Migrants by locality of current residence and previous residence (percent)

Locality of previous residence	Locality of current residence			
	GAMA (Accra)	Other Urban	Rural	Total
GAMA (Accra) <sup>12</sup>	3.6	11.9	7.6	8.7
Other Urban	89.4	66.5	49.4	56.3
Rural	7.1	21.6	43.0	35.0
Total	100.0	100.0	100.0	100.0

Source: Ghana Statistical Service 2008

#### 4.4.3 Rural-urban migration in Ghana

Even though the historical trend of rural-urban migration as the most dominant stream has now been reversed, rural dwellers continue to move to the cities in significant numbers. Given the large disparities between the rural and urban areas in Ghana, it is not unexpected that a range of linkages exist between the two sectors. Poverty and lack of employment have in many previous studies been stated as main contributory factors for rural urban migrants (Awumbila et al. 2008) and as such migration represents an important livelihood diversification strategy for the rural dwellers the country. It is a logical way for tapping into the welfare advantages enjoyed in the urban sectors where living standards generally are higher, a wider range of employment opportunities are available, and social restrictions are less prevalent than in the countryside. As a result, for many Ghanaians migration from rural to urban areas represent their dreams of formal employment, modernity, the possibility of working indoors and being less tied with family duties as opposed to the traditional life in rural areas (Tsegai 2005). Therefore, due to several reasons, such as marriage, education, and environmental disasters, but mainly poverty and lack of sustainable livelihood opportunities, there is a significant stream of rural migrants moving to urban centers in Ghana (Boakye-Yiadom 2008). Rural urban migrants explores important ways of linking the urban and rural

<sup>12</sup> GAMA is defined as Greater Accra Metropolitan Area which includes: Accra Metropolitan Area, Tema Municipal Area as well as the urban areas in Ga East and Ga West districts.

sectors by promoting remittances, encouraging community level initiatives and connecting rural producers to urban markets.

The outcome of the move is largely conditioned by destination's ability to absorb migrants, especially in terms of labor market opportunities and the availability of decent living conditions. But urbanization and rural-urban migration in Ghana has increased the already overcrowded urban settlements, which has led to the generation of unsanitary conditions due to absence of adequate water and waste management, insufficient quality of housing in slums, high cost of food and few employment opportunities (European Commission 1). The limited employment opportunities, coupled with that rural-urban migrants often have relatively low levels of human capital may lead to that migrants end up in the informal sector, where wages are low and irregular, or in involuntary unemployment. Migrants from the northern areas have been proven to be in a particularly vulnerable position, as empirical evidence shows that migrant's families in the north benefit to a lesser extent from remittances from migrants to the coastal zone than do migrant's families in the forest zone. This suggests that northern migrants in the coastal zone benefit to a lesser extent from migration, and occupy the less economically rewarding positions. The poor dwellers from the rural areas in the north often have very low levels of human capital, and this may restrict them from entering the labor force in the destination area. In this sense inequality in the south may be partly explained by the position of northerners in the south, but there is relatively little knowledge about this phenomenon (World Bank 2006).

#### **4.4.4 Reasons for migration in GLSS5**

People move for different reasons, and in GLSS5 respondents were asked about their reasons for migrating. The survey data suggest that the main impetus for internal migration is family considerations. Apart from marriage (12 percent) and accompanying parents (17 percent), migrants cite other family reasons (36 percent) as the main reason for their relocation. About one in four cites employment as the underlying reason for their movement. Urban bound migration is more associated with employment seeking compared the corresponding number across all rural locations. Natural disasters such as war, famine fire and drought and political or religious reasons each account for less than one percent of reasons for migration across the whole country. Only in rural savannah is famine, flood or drought cited by about two percent of migrants as reasons for migration (Ghana Statistical Service 2008). That the main impetus for migration in Ghana is family reasons is somewhat surprising, in the sense that many previous studies have identified poverty and livelihood insecurities

to be major driving factors of rural-urban migration in Ghana (Awumbila et al 2008). That migration is driven by poverty and insecurities is also in line with the rationale for migration set out in NELM. However, it remains unclear what “other family reasons” entail and limited opportunities in the source area for the family as a whole might thus be incorporated in this reason.<sup>13</sup>

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<sup>13</sup> The respondents were given a number of options as main reason for migration, which might bias the results compared to an open-ended question. These were: Job transfers, seeking employment, own business, spouse’s employment, accompanying parents, education, war, fire/famine/draught, and “other”

## 5. EMPIRICAL ANALYSIS

The analysis is limited to the economically active population aged 15-65. The economically active are defined in GLSS as respondents who worked in the week previous of the study ( including temporary absence from work). This definition entails people who work for pay, profit or family work, or who produced anything for barter or home use (Ghana Statistical Service 2008). All individuals who are cash recipients as well as individuals paid in goods and services are included. This includes 2919 women and 2570 males, which makes a total of 5486 observations.

The main impetus for migration in GLSS5 was “other family reasons”. This is consistent with the reasons for migration as cited by the migrants included in the analysis. Table 4 below shows the main reasons for migration among the urban-rural migrants, by sex. The results show small variations between the sexes, but a slighter greater proportion of male migrants have cited seeking employment as reasons for migration, while a greater number of female migrants have cited accompanying parents.

Table 4: reasons for migration for the urban-rural migrants, by sex ( percent)

	Male	Female
Job transfer	6,9	5,3
Seeking employment	12,7	7,1
Own business	4,9	1,8
Spouse employment	2,0	2,7
Accompanying parents	12,7	21,2
Marriage	14,7	12,4
Other family reasons	33,3	36,3
Education	2,9	3,5
War	1,0	,9
Flood/famine/drought	2,0	2,7
Other	6,9	6,2
Total	100,0	100,0

Source: Author's own calculations using GLSS5

## 5.1 Introductory discussion of the IV approach

A challenge in the estimation of the returns to migration is the element of selectivity among migrants; migrants are a restricted, non-random part of the population and the propensity to migrate varies for individuals with respect to their characteristics. Commonly the younger, more productive, less risk averse and relatively well off individuals are able to migrate, while their poorer and more risk-averse counterparts stay behind. Empirical evidence from Ghana shows that generally migrants are younger, less risk averse and more results oriented and have better networks and contacts in destination areas than their non migrant counterparts (Tsegai 2005). Secondly there is an inability to establish direction of causality between welfare and migration; living standards are likely to influence the migration decision, and migration is likely to influence the living standards of the migrants (Sabates- Wheeler et al. 2005) Thus when estimating the returns to migration the selectivity element and reversed causality implies endogeneity and OLS regression results would be biased. To correct for this bias, an instrumental variable approach is used for the migration decision in the analysis

While instrumental variables suitability is generally hard to assess two conditions must be fulfilled in order to be valid. Firstly it must be uncorrelated with the error term,  $e$ . In other words, the instrument,  $z$ , cannot suffer from the same problem as the original predicting variable,  $x$ . Secondly it must be correlated with the explanatory variable,  $x$ . If the  $cov(z, e)$  is assumed to be 0 then the sample covariance converges to the true covariance in large samples. If this condition is satisfied and, in addition,  $cov(z, x) \neq 0$  the instrumental variable estimator is consistent (Hill et al. 2001).<sup>14</sup>

The IV analysis has the potential to correct for biases and inconsistent estimates, but the credibility of the analysis is conditional on the suitability of the instrument. The most important potential problem of the IV analysis is a bad instrument, that is, an instrument that is correlated with the omitted variables. An association between the instrumental variable and omitted variables can lead to a bias in the resulting estimates that is much greater than the bias in OLS. Another problem is the possibility of bias when instruments are weakly correlated with the endogenous regressors. (Angrist and Krueger 2001). Generally strong instruments (with high correlations with the troublesome variable) can provide estimates of coefficients that have small biases and approximately normal

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<sup>14</sup> The assumption that the instruments are not correlated with the error term in the equation of interest is not testable in exactly identified models, but the strength of the instrument can be directly assessed since both the endogenous covariates and the instruments are observable ( Murray 2006).

standard errors in moderately large samples. However, two problems arise with weak instruments; firstly, when an instrumental variable is weak, 2SLS estimated standard errors become too small. Second, even though 2SLS coefficient estimates are consistent (so they approach the true value as the sample size approaches infinity) the estimates are biased in finite samples. When the instrumental variable is weak, this bias can be large, even in very large samples (Murray 2006).

## 5.2. The Econometric Model

The rural-urban migration dummies  $X$ , are instrumented by the number of years in current residence for all individuals. A Two Stage Least Squares (2SLS) regression entails two stages. In the first stage of the model the migration variable,  $X$ , is regressed on the instrument,  $Z$ .

$$X = \gamma_0 + \gamma_1 Z + v$$

The predicted values,  $\hat{X}$ , from the first stage are then used to replace coefficients for the endogenous variable in the second stage. Except from that the regression of interest is estimated as usual.

The dependent variable in the regression of interest is the logarithm of the mean monthly household income. The migration effect on mean household income for the selected households is investigated, as the dataset consists of selected households rather than individuals, but also in line with the household approach set out in NELM.

$$\begin{aligned} \text{LogIncome} = & \beta_0 + \beta_1 \text{Rural} + \beta_2 + \beta_3 \text{Services} + \beta_4 \text{FatherServices} + \beta_5 \text{FatherAgric.} + \beta_6 \\ & + \text{FatherProd.} + \beta_7 \text{Fatherother} + \beta_8 \text{Catholic} + \beta_9 \text{Christian} + \beta_{10} \text{Traditional} \\ & + \beta_{11} \text{NoReligion} + \beta_{12} \text{Other} + \beta_{13} \text{Age1} + \beta_{14} \text{Age2} + \beta_{15} + \beta_{16} \text{Age4} \\ & + \beta_{17} \text{Age5} + \beta_{18} \text{Femalenonmigrant} + \beta_{19} \text{Femalemigrant} + \beta_{20} \text{Malemigrant} \\ & + \beta_{21} \text{Tax} + \beta_{22} \text{SocialServices} + \varepsilon \end{aligned}$$

The suitability of the instrument can be argued by that seasonal or cyclical migration (especially in terms of rural-urban migration) is very common in Ghana. This element of migration tendency is incorporated in the instrumental variable as short time in current residence increases the likelihood of migration in these cases. Also, following McKenzie and Rapoport (2004), who use historic migration flows in destination places as instruments for current migration; historic migration improve migrants' networks which reduces migration costs, thus exogenously predicting current migration. However, the initial thought was to use household size as an instrument, as it was

expected by the author that larger households are more prone to migrate than smaller. The variable was however uncorrelated with the migration dummy and thus not fit as an instrument. This is probably explained by that large households do not only migrate together, but also as outlined in NELM, sending off household members independently as migrants. The choice of the instrument used is appropriate, but it would have been desirable to use an instrument less akin to the migration dummy in itself. Household ownership of land is an example of a potentially better instrument. It is likely to be negatively correlated with migration as it reduces risk for the individuals engaged in farming. In the dataset, this information is available for selected respondents (representing head of households or person in charge) and for the individuals included in this study information was not available for all households. Another potential instrument is rainfall since there is a lack of irrigation systems in many farming communities. This implies that farm outputs are dependent on adequate rainfall (Bookaye-Yiadom 2008) and agricultural output- and employment- may thus be affected and pushing people to migrate.

### 5.3 Regressors

Welfare is likely to be influenced by individual attributes, as well as community level characteristics. The set of regressors include variables for industry employed in, educational attainment<sup>15</sup>, if being a taxpayer, receiving any social security from employer<sup>16</sup>, religion, age, father's employment, and household size. The choice of the variables will be outlined below.

Wages are highly differentiated between employment sectors, where the agricultural wages are considerably lower than of employed in industry/production or services. Furthermore, individuals employed in services and Industry/production generally face lower levels of risk because they are wage workers in a greater extent, compared to individuals employed in agriculture. Many poor farmers in Ghana struggle to find income during the agricultural off season, and as a result income levels for these individuals may vary with the agricultural cycles (IFAD 2008). The market imperfections and low social protection that are characterizing the rural areas additionally lead to narrow means to smooth consumption for these farmers. As set out in NELM they might choose another strategy to overcome these market imperfections - migrating to urban areas. Employment industry hence does not only affect income levels but may also influence migration behavior.

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<sup>15</sup> There might be a problem with endogeneity coupled with education, as some people move to pursue higher education in Ghana.

<sup>16</sup> Regarding the social securities variable, it may suffer from a degree of endogeneity, as, according to NELM, lack of security is one of the driving forces behind the decision to migrate.

Being a taxpayer is not only associated with higher income levels, but also with a certain level of livelihood security; paying tax indicates that the respondent is formally employed and also potentially benefiting from securities, such as retirement, in the future. The same arguments apply to the social securities variable.

Previous studies in Ghana point out that migrants are generally younger and possess higher levels of human capital (for which education can serve as a proxy) than their non migrant counterparts in their source communities (Tsegai 2005). To control for these characteristics of the migrants education and age variables are included in the regressions. Additionally, to capture the conditions given by wealth levels during the childhood a variable for the industry that the father of the respondent is also included. The choice of the employment of the father rather than the mother is based on the fact that 70 percent of all households are headed by men (Ghana Statistical Service 2008). Different levels of wealth during the childhood may influence educational opportunities and levels of social capital, which may impact on both future income levels and migration.

A household size variable is included as mean income levels tend to vary with the size of the household- where bigger household (with more dependants) have a smaller average consumption.<sup>17</sup>

A rural dummy is included to control for the disparities between the urban and rural sectors. The inclusion of the urban-rural dummy is of importance, as according to NELM, migration is induced by insecurities and utility differences ( e.g. risk levels and livelihood opportunities) between regions and not only differences in income.

An interaction variable (migration x female and migration x male) is used to compare the welfare effect for men and women respectively.

As NELM focuses on family needs for stable income levels rather than income maximization per se, it would have been desirable to investigate if risk and income variability has been reduced by the move. But the driving force of migration is, according to NELM, two-fold: to reduce risk as well as to maximize joint income. Thus, even if income is not increased with migration the outcome for the family might still be beneficial if risk and/or income variability is reduced. The dataset does not include any measures of risk and hence the only effect measured in this thesis is the income effect.

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<sup>17</sup> The household size variable may be troublesome, as the size of the household and the need for stable income levels may be one of the driving forces of migration.

A correlation analysis show that women and men with no education at all are the least expected to migrate. For males, having at least secondary school and beyond is positively correlated with migration, while for female migrants having started secondary school and polytechnic is positively correlated with migration. For females attaining middle school is negatively correlated with migration, and so is, somewhat surprising, attaining university. Household income is negatively correlated with migration for both female and male migrants, supporting the predictions by NELM that migrants generally come from the lower end of the income distribution. Regarding age, the dummy for ages 15-25 and ages 56-65 is positively correlated with migration for both females and males, while the other age dummies were negatively correlated, except from ages 46-55 for female migrants. This result suggests that whole families migrate together

In order to investigate the suitability of the included regressors, previous rounds of regressions were carried out, with different combinations of regressors. Two regression results are presented for both the OLS and 2SLS regressions, in order to highlight the consistency of the regressions. As the effect of rural-urban migration on welfare is desired to investigate, the employment industry dummies are the ex -ante migration (as the effect of migrants compared to the people that did not migrate is what is of interest) The same argument applies to the rural dummy, that thus includes all current rural dwellers, as well as the rural-urban migrants. In table 5 all regressors in the econometric model are defined and in table 6 the logarithm of mean household income for the included households and standard errors for all variables are presented.

Table 5: Regressors

Variable		Definition
Urban	(omitted)	Urban dummy: 1 if Urban, 0 if otherwise
Rural		Rural dummy: 1 if Rural, 0 if otherwise
Agriculture	(omitted)	Employment industry dummy: 1 if agriculture, 0 if otherwise
Industry		Employment industry dummy: 1 if industry, 0 if otherwise
Services		Employment industry dummy: 1 if services, 0 if otherwise
Father professional	(omitted)	Father's employment dummy: 1 if Professional or technical 0 if otherwise
Father Services		Father's employment dummy: 1 if Services, 0 if otherwise
Father Agric.		Father's employment dummy: 1 if Agriculture, 0 if otherwise
Father Prod.		Father's employment dummy: 1 if Production, 0 if otherwise
Father other		Father's employment dummy: 1 if Other, 0 if otherwise
Moslem	(omitted)	Religion dummy: 1 if Catholic, 0 if otherwise
Catholic		Religion dummy: 1 if Catholic, 0 if otherwise
Christian		Religion dummy: 1 if Christian, 0 if otherwise
Traditional		Religion dummy: 1 if Traditional, 0 if otherwise
NoReligion		Religion dummy: 1 if No Religion, 0 if otherwise
Other Religion		Religion dummy: 1 if Other Religion, 0 if otherwise
Age 1		Age dummy: 1 if 15-25, 0 if otherwise
Age2		Age dummy: 1 if 26-35, 0 if otherwise
Age 3	(omitted)	Age dummy: 1 if 35-44, 0 if otherwise
Age4		Age dummy: 1 if 45-54, 0 if otherwise
Age5		Age dummy: 1 if 54-65, 0 if otherwise
Male nonmigrant	(omitted)	Gender dummy: 1 if male non -migrant, 0 if otherwise
Femalenonmigrant		Gender dummy: 1 if female non -migrant, 0 if otherwise
Femalemigrant		Female migrant dummy: 1 if migrant, 0 if otherwise
Malemigrant		Female migrant dummy : 1 if migrant, 0 if otherwise
No Education	(omitted)	Dummy for highest educational qualification: 1 if none, 0 if otherwise
Primary		Dummy for highest educational attainment: 1 if primary school, 0 if otherwise
Middle		Dummy for highest educational attainment: 1 if middle school, 0 if otherwise
Secondary		Dummy for highest educational attainment 1 if secondary school, 0 if otherwise
Polytechnic		Dummy for highest educational attainment: 1 if polytechnic or vocational/commercial, 0 if otherwise
University		Dummy for highest educational attainment: 1 if university or other tertiary, 0 if otherwise
OtherEduc		Dummy for highest educational attainment: 1 if other, 0 if otherwise
Householdsize		Household size
Tax		Tax dummy: 1 if taxpayer, 0 if otherwise
Social Security		Social Security dummy: 1 if receiving from employer, 0 if otherwise

Table 6: Logarithm of mean household income for the variables included in the regressions

<b>Variable</b>	<b>Mean</b>	<b>St. Deviation</b>
Urban (omitted)	5,2212	,55821
Rural	5,1072	,57977
Agriculture (omitted)	4,9105	,56581
Industry	5,2907	,52524
Services	5,3487	,50280
Father professional (omitted)	5,1950	,59746
Father Services	5,2437	,57018
Father Agric.	5,1130	,57458
Father Prod.	5,1883	,61111
Father other	5,1623	,60280
Moslem (omitted)	5,0490	,67949
Catholic	5,1665	,54194
Christian	5,1766	,55964
Traditional	4,8399	,60242
NoReligion	5,1852	,53235
Other Religion	5,3055	,64591
Age 1	5,1666	,57056
Age2	5,1613	,58206
Age 3 (omitted)	5,1202	,57423
Age4	5,1242	,57176
Age5	5,1957	,56485
Male nonmigrant (omitted)	5,1795	,57139
Femalenonmigrant	5,1339	,57355
Femalemigrant	5,0644	57403
Malemigrant	5,1284	,61976
No Education (omitted)	5,0767	,59121
Primary	5,1566	,57031
Middle	5,2005	,56749
Secondary	5,1832	,53471
Polytechnic	5,2775	,53405
University	5,3633	,47706
OtherEduc	5,1959	,45833
Tax	5,4160	,51954
Social Security	5,5754	,41317

## 6. RESULTS

Table 7 below show the results from the OLS regressions and table 8 the results from the 2SLS regressions.

In the OLS regressions the variables of interest- the migration dummies- the show a positive, relationship between migration and household income for both female and male migrants. Male migrants experience an increase with 11,7 percent , as compared to being a male non- migrant, while the effect for women is 9,7 percent, as compared to female non-migrants. When correcting for selectivity with the 2SLS approach the results instead reveal a negative and significant effect on income for both sexes, where female migrants on average experience a loss in mean household income with 23,4 percent and males 33,8 percent. The results clearly indicate that without correcting for this the migration effect on income is exceedingly overestimated.

Results in both sets of regressions further suggest that being employed in industry or services as compared to agriculture enhances welfare, with the services sector generating the biggest impact. The results also suggest differences in welfare by to the employment industry of the father. All the categories are negatively associated with welfare, as compared to father being a “professional” or “technical”.

The results further suggest some variations in the different religious denominations where being a catholic, as compared to being a moslem, is generating the biggest positive impact and traditional religion the biggest negative impact. All educational dummies have positive coefficients, except for the “other” category, as compared to having no education. This result is expected, as education generally is regarded to generate higher income. Furthermore, being a taxpayer and receiving social security is also generating a large positive effect on household income.

So does the 2SLS approach provide reliable results? Firstly, the estimated coefficients are always biased in finite samples in a 2SLS regression, and the differences between the OLS and 2SLS regressions for all coefficients indicate this bias in the 2SLS results. The question is then, of course, if the bias has been reduced or increased compared to the OLS approach. A rule of thumb is that when the sample size times the R<sup>2</sup> from the first stage 2SLS is larger than the number of instruments; 2SLS tends to be less biased than OLS. This assumption holds for this analysis, and the method is thus appropriate in this sense. It is a bit surprising, however, that the different methods provide such

different results. The instrument used is according to the author the best instrument available, but had another instrument been available, such as the above mentioned average rainfall, the results may have shown less divergence. The results show in any case that when using OLS the returns to migration is clearly overestimated. 2SLS results also contradict the income differentials approach to migration and thus suggest that there are other factors beyond the rationale for rural-urban migration in Ghana than higher incomes.

Table 7: Results from the OLS regressions

Variable	1.		2.	
	Coefficient		Coefficient	
(Constant)	5,091	(,040)	5,157	(,039)
Rural	-,031*	(,015)	-,060***	(,015)
Industry	,309***	(,020)	,357***	(,020)
Services	,330***	(,016)	,412***	(,016)
Father Services	-,012	(,023)	,001	(,023)
Father Agric.	-,068***	(,020)	-,067***	(,021)
Father Prod.	-,054	(,034)	-,052	(,035)
Father other	-,041	(,053)	-,042	(,054)
Catholic	,093***	(,028)	,087***	(,029)
Christian	,077***	(,023)	,075***	(,024)
Traditional	-,017	(,045)	-,033	(,046)
NoReligion	,097***	(,035)	,103***	(,036)
Other	,104	(,180)	,084	(,184)
AGE1	,055***	(,021)	,055*	(,021)
AGE2	,014	(,021)	,005	(,022)
AGE4	,025	(,024)	,018	(,024)
AGE5	,075***	(,028)	,067*	(,028)
Femalenonmigrant	-,023*	(,014)	-,022	(,014)
Femalemigrant	,074	(,050)	,122*	(,050)
Malemigrant	,117*	(,052)	,144***	(,053)
Householdsize	-,048***	(,002)	-,047***	(,003)
Primary	,040	(,018)		
Middle	,058***	(,019)		
Secondary	,018	(,030)		
Polytech	,080	(,040)		
University	,133*	(,070)		
Other	-,070	(,192)		
Tax	,166***	(,018)		
SocialSecurity	,213***	(,028)		

Standard errors are in parenthesis, \* p<0.1; \*\* p<0.05; \*\*\* p<0.01

F.statistics: 58,779

R<sup>2</sup>: ,232

Adj R<sup>2</sup>: ,228

F.statistics: 66,773

R<sup>2</sup>: ,196

Adj R<sup>2</sup>: ,193

Table 8: Results from the 2SLS Regressions

Variable	1.		2.	
	Coefficient	Standard Error	Coefficient	Standard Error
(Constant)	8,263	(1,274)	8,269	(,891)
Rural	-,040*	(,016)	-,085***	(,017)
Industry	,494***	(,079)	,562***	(,064)
Services	,523***	(,082)	,645***	(,071)
Father Services	-,020	(,023)	,002	(,023)
Father Agric.	-,111***	(,026)	-,108***	(,024)
Father Prod.	-,088*	(,036)	-,083*	(,036)
Father other	-,064	(,053)	-,064	(,054)
Catholic	,149***	(,036)	,138***	(,032)
Christian	,125***	(,030)	,120***	(,027)
Traditional	-,023	(,046)	-,048	(,047)
NoReligion	,156***	(,043)	,162***	(,040)
Other	,160	(,182)	,127	(,184)
AGE1	,090***	(,025)	,088***	(,023)
AGE2	,022	(,021)	,008	(,022)
AGE4	,040	(,025)	,029	(,025)
AGE5	,122***	(,034)	,107***	(,031)
Femalenonmigrant	-,050***	(,016)	-,052***	(,015)
Femalemigrant	-,284	(,189)	-,314*	(,130)
Malemigrant	-,338*	(,150)	-,286***	(,105)
Householdsize	-,078***	(,012)	-,075***	(,008)
Primary	,069***	(,020)		
Middle	,098***	(,024)		
Secondary	,041	(,030)		
Polytech	,143***	(,046)		
University	,226***	(,078)		
Other	-,083	(,192)		
Tax	,272***	(,046)		
SocialSecurity	,348***	(,060)		

Standard errors are in parenthesis, \* p<0.1; \*\* p<0.05; \*\*\* p<0.01

F.statistics: 58,779

R<sup>2</sup>:232

Adj R<sup>2</sup>:228

F.statistics: 66,773

R<sup>2</sup>: 196

Adj R<sup>2</sup>:193

## 7. CONCLUSIONS

The aim of this paper has been to investigate to what extent rural-urban migration benefits men and women in Ghana. The empirical analysis results show some variation between the sexes, and with very different results when controlling for selectivity with an IV approach, compared to OLS. Applying the IV approach the results show a negative effect on mean household income for both male and female migrants of 34 percent and 23 percent, respectively. When selectivity is not controlled for, the results show a positive effect for both males and females, where mean household income is increased with about 10 and 12 percent, respectively. The IV approach is concluded to produce less biased results, due to the selectivity element among migrants, and the hypothesis that female migrants gain less from migration than their male counterparts has thus not been confirmed.

The 2SLS results contradict the income differentials approach to migration and thus suggest that there are other factors beyond the rationale for rural-urban migration in Ghana than higher incomes. The limited income gains from migration may be partly due to the individual characteristics of the migrants but also due to more structural factors. Firstly, as rural-urban migrants often do not possess many employable skills aside from farming they often end up in the informal sector where wages are low and irregular, which may limit the effect on income. Secondly, the welfare effect may also be limited because of the limited ability of the destination areas to absorb migrants. Urban settlements in Ghana are overcrowded and provide few employment opportunities, and if information regarding these conditions is not available ex ante migration, decisions to migrate may be taken with unfair prospects of risk. As a consequence the outcome of the move may not be as successful as the migrants had hoped for. Due to the high levels of risk and urban rural differentials outlined in this thesis, it is reasonable to believe that rural-urban migration is not only fuelled by income maximization, but also an act to compensate for these missing markets. Higher incomes per se are thus not always the intention by the migrants but rather an alleviation of constraints. Regarding motives as cited by the migrants themselves, the main impetus for migration is family reasons but exactly what that entail remains unclear.

While the empirical focus was on the outcome of migration, this thesis has simultaneously raised many questions about migration decision-making and the reasons behind the outcomes. The point of departure in this thesis was that gender influences migration and vice versa. As the outline of gender inequalities in the Ghanaian society showed that women generally are in a subordinate position to their male counterparts, it is somewhat surprising that the hypothesis that male migrants gain more from migration could not be confirmed. While it is encouraging to conclude that female

migrants seem to do better than male migrants in Ghana the reasons to why this is the case is unclear. Further research into the linkages between gender and migration in Ghana, coupled with more structural analyses of urban employment opportunities and migration incentives could provide insights and answers to why this is the case.

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