Internal Migration and Household Consumption in Ghana

Over the past two decades Ghana has seen a rapid increase in internal migration. Census data show that internal migration increased from 38.6 percent to 43.3 percent between 2000 and 2010. According to the latest Ghana Living Standard Survey (GLSS) 2012/13, half of the migrants surveyed had migrated after 2003 (figure 1).

Migration has mostly been synonymous with urbanization. Urban populations expanded by about 1.5 million people in 1991–98, 1.9 million in 1998–2005, and 4.7 million in 2005–12. While the reclassification of peri-urban rural areas into urban areas can partially explain this development, the main driver behind the increase in the urban population remains the mass internal migration.

Better employment opportunities are the key driver of migration for the heads of Ghanaian households. About half of recently migrated households declared that they moved to take up a new job or to improve employment opportunities. Some 25 percent moved in search of work, 15 percent migrated for business-related reasons, and 12.5 percent because of a job transfer.

Migration pays off in term of better jobs and higher consumption levels. Migration seems to lead to successful job search as virtually all migrant heads of household find a job regardless of their labor market status in the place of origin. In addition, the consumption level of households that have migrated is about 32 percent higher than that of the households that stayed behind, independent of their initial level of consumption and the area of origin (figure 2).

But migrants are not average individuals. Migrants differ from those left behind in many ways, not just in their consumption. A simple comparison of migrant and non-migrant households points to significant differences across a range of characteristics, including demographics, socioeconomic outcomes, and geographic location. Heads of migrant household are on average younger, have higher educational attainment, and are more likely to be wage earners than the rest. Migrant households are also smaller in size, with generally better educated members.

Figure 1. Distribution of migrants by year of migration

Source: Calculations based on GLSS6 (2012/13).

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1 Internal migration is measured by the share of the population age 15 years and above (belonging to households headed by a person) who, at the time of the census (survey) lived in a location other than the place of birth.
to the highest quintile of the assets distribution although less likely to own land and livestock. These systematic differences in the characteristics of migrants go a long way in explaining the consumption gap between them and the rest of the population. However, econometric analysis suggests the existence of positive returns to migration even after their higher productive characteristics are taken into account.

Figure 2. Distribution of log-consumption by migrant status and area of origin (North vs. South)

Source: Calculations based on GLSS6 (2012/13).

Note: North includes Ashanti, Brong Ahafo, Northern, Upper East, and Upper West region. South includes Western, Central, Greater Accra, Volta, and Eastern regions.