



Policy Brief No. 1



Centre for Migration Studies, University of Ghana

# Regional Policy Brief

## Migrating out of Poverty? Evidence from Informal Settlements in Accra, Ghana

Despite negative policy stances toward rural-urban migration and urban slums in Ghana, recent research carried out by a research team at the Centre for Migration Studies, University of Ghana, shows that slums are sites of vibrant economic activity, providing opportunities for migrants not available in their communities of origin. Indeed, the vast majority of internal and regional migrants (88 per cent) felt their overall household wellbeing had improved as a result of their migration, and many were able to contribute to the livelihoods of families and kin in areas of origin, with over three-quarters of migrants sending remittances. However, migrant livelihoods were threatened by unsafe living conditions in slums and a lack of basic services. The research therefore calls for four policy recommendations: upgrading informal settlements; support for informal sector workers; facilitating remittances and savings; and including vulnerable migrants in social protection schemes.

### Rural-urban migration to Accra and the policy context

Overall, there is substantial policy skepticism in Ghana about rural-urban migration and informal settlements, a stance adopted by many other governments in Sub-Saharan Africa. The Ghana Poverty Reduction Strategies (I and II) as well as the current Ghana Shared Growth and Development Agenda (GSGDA) provide little support for rural-urban migration in Ghana, and migrants are not seen as a vulnerable group in the country's Social Protection Strategy. Rural-urban migration is typically seen as creating pressure on urban infrastructure, environment and employment, and there is an underlying assumption that rural-urban migration is linked to rising levels of urban poverty witnessed in Ghana in the past decade.

However, recent research on rural-urban migration to urban informal settlements or slums in Accra conducted by the Migrating out of Poverty RPC team at the Centre for Migration Studies, University of Ghana, shows that despite difficult conditions in slums, migrants widely feel that their situation has improved significantly since migrating to Accra. Poor migrants contribute to the urban economy by providing a range of



Fig 1. Migrants involved in e-waste recycling in Old Fadama.

services, and also help their families at origin through cash and in-kind remittances, support for education, and productive investment. However, conditions in informal settlements present a risk to migrant livelihoods, with urban policies (including decongestion exercises) resulting in a threat of eviction. Most migrants also have very limited access to services.

### Contextualising migrant livelihoods in informal settlements

The study focused on two informal settlements in Accra, Old Fadama and Nima, which have been settled by migrants from other parts of Ghana as well as other countries in the region. Nima, a poor neighbourhood of Accra that emerged in the 1940s, is a melting pot of ethnic groups and nationalities, especially from northern Ghana and West Africa Sahelian countries of Mali, Niger and Burkina

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**Key Point: 88 per cent of migrants felt the general well-being of their household had improved after migration**

Faso. By contrast, Old Fadama is a more recent settlement, which dates to the mid-1990s and is a destination for migrants from northern Ghana. These two settlements thus provided a good context to compare the impacts of migration on recent migrants and those who have been there for some time.

Mixed method research among randomly sampled migrants showed the majority (65 per cent) were relatively young, aged between 25 to 44; this was especially true in Old Fadama where nearly 70 per cent were in this age range. There were relatively more men than women in both communities, with men consisting of 60 per cent of the population in Old Fadama and 56 per cent in Nima, respectively. Education levels were minimal among many of those surveyed: 42 per cent in Old Fadama and 25 per cent in Nima had no education. The majority of those surveyed had migrated from the Northern region of Ghana (55 per cent overall - and over 90 per cent in Old Fadama). Most male and female migrants in both slums moved to find better paid work in order to facilitate asset accumulation, savings and remittances. Education was the second most important reason cited for migration, but mainly for males (13 per cent, as compared to 2 per cent for women), suggesting that the reasons for female migration were different.

### **Urban livelihoods: forms of entrepreneurship in the informal sector**

Although the informal sector is often seen as precarious, unregulated and lacking income security, the research showed that it offers employment opportunities for poor migrants, with the majority (71.2 per cent) reporting informal employment and just 4.2 per cent in formal employment.

Both slums were booming with various forms of small businesses, including electronic waste and metal recycling (namely collection, repair and refurbishment and trading of metals), food vendors, street hawking, head porters (*kayeyei*), petty trading, hairdressing, and motorcycle taxis (*okada*). Types of entrepreneurship were gendered: Women were

typically engaged in food vending, petty trading and head portage while men were involved in the *okada* business, e-waste, and other trades.

Small slum entrepreneurs reported earning much more than what they would in their home regions. For example, earnings in e-waste recycling were roughly GH¢ 15 (Ghana Cedis; about US\$7.50) daily, an amount higher than the salary of a lower-level office clerk in Ghana's public service. In e-waste refurbishment they were even higher at GH¢ 40-200 per day.

However other occupations paid more erratically. The typical daily wage was GH¢ 10 (\$5) although actual wages vary significantly from one day to another. This figure was higher than the national minimum wage of GH¢ 5.24 per day (\$2.62). Also, there were significant health hazards associated with some forms of economic activities such as e-waste recycling, where workers burn electronics to extract valuable scrap metal, while other workers, such as *kayeyei*, often lacked access to housing and 'slept rough' at bus stops and other insecure sites.

### **Remittances, asset accumulation and savings**

The study revealed very high rates of remittance sending: 78 per cent of migrants had sent remittances in the past year, and that 39 per cent sent them regularly either on a quarterly, monthly or weekly basis. Amounts remitted ranged from a minimum of less than GH¢ 100 (US\$50) to a maximum of above GH¢ 1,000 (US\$500) per year - with men significantly more likely to remit large sums than women.

Remittances were also typically more common, and larger, in Old Fadama, with nearly one-in-five households (19 per cent) of those that sent remittances, remitting more than GH¢ 1,000 per year - with only 7 per cent of households in Nima sending such sums.

Remittances were often used to start building capital for a business (reported by 48 per cent of remitters) or in response to unexpected events such as accidents or the death of a family member (42 per cent). Remittances were sent mainly through informal

channels such as friends and relatives returning home, as well as through lorry and bus drivers plying the route between Accra and the home regions.

Asset accumulation is not only a means of survival but also enhances migrants' social status as well as improving their economic well-being. However, while men invest in electronic items such as televisions and LCDs/video players, women have particular interest in acquiring cooking utensils and clothes. For young women, acquisition of these assets is the first step towards marriage, and older women also acquire them to contribute to their daughters' preparation for marriage. The proportion of households owning durable assets (e.g. household items, electronics, vehicles) increased after migration. For example, mobile phones were particularly important as they were critical in maintaining contact with families and obtaining information on jobs: 87 per cent owned mobiles after migration, compared to 41 per cent before migration.

#### One Female Migrant's Story:

*'It is now better for me than before migrating to Accra, because back home in the North I was not doing any work. Even though when I started working it was not moving on as well as I expected, I am now happily working, able to save some money and remit some to my family back in the north. ... My child has benefited a lot from my migration to this place because I am now able to provide for all his educational needs'*

Despite constraints such as insufficient working capital, the proportion of households in Nima and Old Fadama with savings was over 76 per cent, much higher than the national average. However, this was higher (85 per cent) among migrants in Old Fadama, possibly due to the constant threat of eviction by city authorities and the frequent outbreak of fires in the community. Respondents stated that savings provide them with economic stability that helps them to survive income shortfalls and they are also used as business capital and the education of their children -

**Key point: 78 per cent of migrants had sent remittances in the past year, with 39 per cent remitting at least once every three months**



Fig 2. Migrants pay a relatively high cost for services, such as bathhouse facilities, seen here for 50 Peswas (US 25 cents).

although these savings, like remittances, do not typically make use of formal financial institutions.

#### Costs and Risks of Urban Slum Livelihoods

Many of the difficulties experienced by the poor in urban areas are related to housing and services. This relates to insecure tenancy, frequent fires, threat of eviction, and the absence of toilet facilities, schools, banking, and water. For instance, 94 per cent of the migrants in Old Fadama and nearly 63 per cent in Nima did not have toilet facilities in their residence and had to access communal services via informal vendors at relatively higher costs (see Fig 2). In Old Fadama, where the threat of eviction is worse, some migrants keep their durable assets with friends or relatives who live in more fire resistant buildings.

Most of the migrants were living in poor housing structures: many of the respondents (42 per cent overall, and 75 per cent in Old Fadama) lived in a shack or other temporary structure. Relatively higher rents and the requirement for several months' rent advance payments in better neighbourhoods prevented them from moving to areas with more secure tenure.

#### Policy recommendations

Informal settlements are economically vibrant, offering a range of livelihood opportunities for migrants despite poor conditions and lack of services. Policies to clear these communities risk disrupting migrant livelihoods. Conversely, supportive policies can improve conditions and enhance migrant

contributions to poverty reduction. **This brief argues for four policy recommendations:**

- *Upgrading informal settlements:* partnerships between state actors, the private sector and civil society are needed in order to expand availability of upgraded, low-income housing. Improving the provision of basic services and sanitation is also a critical priority.
- *Support for informal sector:* regulations are needed to support informal sector workers, including a minimum wage, better working conditions in key sectors (such as e-waste recycling), and access to credit.
- *Facilitate remittances and savings:* enhancing migrants' access to mobile banking, formal transfer schemes and appropriate delivery services for non-cash remittances (food, etc) would decrease their dependence on informal services and increase the development benefits of migration for origin communities.
- *Promote social protection schemes:* migrants should be included as vulnerable group in national Social Protection Strategy (currently in draft form) so that they are eligible for policies under this framework.

## Key Readings

*This briefing is based on:*

Awumbila, M., Owusu, G., Teye, J. and Alhassan, A. (forthcoming January 2014) *Urbanization, Rural-urban migration and Urban Poverty in Ghana*. Working paper. Brighton: Migrating out of Poverty RPC, University of Sussex.

*Other useful resources:*

Agyei-Mensah, S. & Owusu, G. (2010) 'Segregated by Neighbourhoods? A Portrait of Ethnic Diversity in the Neighbourhoods of the Accra Metropolitan Area, Ghana', *Population, Place, & Space* 16(6): 499-516.

Awumbila, M. and Ardayfio-Schandorf, E. (2008). 'Gendered Poverty, Migration and Livelihood Strategies of Female Porters In Accra, Ghana', *Norwegian Journal of Geography* 62(3): 171-179.

Castaldo, A., Deshingkar, P. and McKay, A. (2012). 'Internal migration, remittances and poverty: evidence from Ghana and India'. Migrating out of Poverty RPC Working Paper 7. Brighton: Migrating out of Poverty RPC, University of Sussex.

For more information please contact:

### Migrating out of Poverty RPC

Arts B, University of Sussex  
Falmer, Brighton BN1 9QN, United Kingdom  
tel: +44 1273 877584  
email: [Migrationrpc@sussex.ac.uk](mailto:Migrationrpc@sussex.ac.uk)  
web: <http://migratingoutofpoverty.dfid.gov.uk/>  
twitter: @migrationrpc

### Centre for Migration Studies

University of Ghana, PO Box LG 59  
Legon - Accra, Ghana  
email: [cms@ug.edu.gh](mailto:cms@ug.edu.gh)  
web: <http://cms.ug.edu.gh>

The Centre for Migration Studies, University of Ghana, is the West African core partner for the Migrating out of Poverty RPC, which aims to promote policy approaches that will help to maximise the potential benefits of migration for poor people, whilst minimising its risks and costs. Following on from the Migration DRC which was established in 2003, Migrating out of Poverty is undertaking a programme of research, capacity-building, training and promotion of dialogue to provide the strong evidential and conceptual bases needed for such policy approaches. Migrating out of Poverty is funded by the UK Government's Department for International Development, although the views expressed in this policy briefing do not express DFID's official policy.

*This briefing was written by Mariama Awumbila, George Owusu, Joseph Teye, Alhassan Anamzoya, & Jon Sward. For further information on this work please contact MOP Research Uptake Officer at CMS, Sonia Adugyamfi, ([sonia.adugyamfi@gmail.com](mailto:sonia.adugyamfi@gmail.com)).*