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**Research Report**

## Internal Migration in Developing Countries

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# Internal Migration in Developing Countries

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# Internal Migration in Developing Countries

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For people in rural areas of developing countries, finding a better paying job or better education is often only possible by moving – migrating – somewhere else. Moreover, agricultural production, generally the main economic activity in rural areas of developing countries, is risky, affected by droughts and floods. Due to poverty and the limited availability of crop insurance, rural households often rely on distant family members to provide money for buying food, starting a business or maintaining an existing business. The vast majority of moves happen within countries. Focusing on developing regions, this Roundup addresses the following questions: What are the broad trends in internal migration? Do internal migrants and their families really benefit from within-country mobility? What role does internal migration play in the recent urbanization process? The Roundup also documents how policy can increase the development impact of internal migration.

## The scale of internal migration and recent trends

An international research project, Comparing Internal Migration Around the Globe (IMAGE), is compiling a repository of internal migration statistics, based on national census data. [Bell and Charles-Edwards \(2013\)](#) report the project's first results, based on a sample of about 70 countries.

It is estimated that, in 2005, 12 per cent of the global population – about 763 million people – were living in their home country, but outside their birth region ([Bell and Charles-Edwards, 2013](#)). This estimate is subject to revision, as more data become available. However, it shows that, globally, the number of internal migrants far exceeds that of international migrants, which, as of 2010, is recorded as being 221 million, about 3 per cent of the global population ([United Nations, 2013a](#)). Latin America is the region with the highest internal migration rate, while Asia has the lowest. However, there is substantial heterogeneity within regions ([Bell and Charles-Edwards, 2013](#)).

Recent studies analyze the evolution of internal migration over time. Some analyses maintain that global internal mobility is accelerating (see, for instance, [World Bank, 2009](#)). Others challenge this result and conclude that, while it is true that overall internal migration rates are increasing, the pace of the increase is slowing ([Bell and Muhidin, 2011](#); [Potts, 2012](#)). However, there is consensus that China's internal migration rate is accelerating. This appears to be mainly driven by economic development and reductions in institutional restrictions to individual mobility ([Bell and Muhidin, 2011](#); [Meng, 2012](#)).

### The decision to move within national boundaries

Most often people who move are attracted by improved income opportunities. However, the objective of reducing risk may also drive internal migration. Indeed, droughts, pests, and flooding are common in rural areas of developing countries, places where poverty may also hinder investments in new agricultural technologies. Given that formal credit markets and crop insurance are mostly absent from these places, households must find alternative ways to insure against failure and to obtain capital funds. One of these is sending family members to different areas, so that they are subject to different economic opportunities and shocks. With dispersed families, mutual support, especially in bad times, is available. Insufficient public services, such as health and education, or conflicts may also push individuals out of origin areas ([Lall, Selod and Shalizi, 2006](#) review the literature on the motives for internal migration).

Not all types of households engage in internal migration. In case of shocks, wealthier households can also sell assets and use the resulting liquidity to keep their consumption stable. This may not be an option for relatively poorer households, which, thus, may be more likely to resort to internal migration. However, in the short term, migrants may need financial support from the origin family and only relatively wealthier households can afford these costs. It is, therefore, an empirical question of whether it is relatively poorer or richer households that relocate members. In the context of rural Bangladesh, [Mendola \(2008\)](#) finds that households with internal migrants are, on average, poorer than non-migrant households. The reverse is true in the case of international migration.

Within the household, it is often the youngest and most educated adults who move. However, the decision of who migrates may be influenced by migration type (e.g. permanent or temporary, internal or international).

### Does internal migration increase migrants' wellbeing?

Internal migration is expected to increase migrants' wellbeing in the long term. However, in the short term migrants could be worse off than if they had stayed put. This is mainly because it takes time to find paying work and establish social relations at their new home. Overall, therefore, the effect of internal migration on individual wellbeing is, theoretically, undetermined.

Empirical studies provide mixed evidence. In the setting of Tanzania, [Beegle, De Weerd and Dercon \(2011\)](#) find that migrants had 36 percent higher consumption growth than stayers. However, studies from developing countries analyzing the relationship between happiness and internal migration mostly conclude that internal migrants are less satisfied than stayers (see [Simpson, 2013](#) for a review). There is evidence that this can be due to the overly optimistic expectations of prospective migrants. Indeed, while monetary returns can be predicted, relatively accurately, other aspects of relocation, such as environmental and social conditions at destination, are less understandable when deciding on migration and can generate dissatisfaction when discovered. This is consistent with the study by [Farré and Fasani \(2013\)](#), who find that media exposure reduces internal migration in Indonesia. The mechanism outlined by the authors is that greater media exposure results in prospective migrants better understanding the actual urban living conditions. In particular, prospective migrants understand that they are over-estimating the benefits of urban living, and thus are less likely to migrate.

From the above, information appears crucial for migrants' wellbeing. Therefore, an immediate policy suggestion to increase the benefits of internal migration is to provide prospective migrants with improved information regarding not just job opportunities at the destination, but also living conditions. Moreover, [Yamauchi \(2004\)](#) finds that better educated migrants have faster wage growth in destination labor markets and therefore suggests schooling investments, either before or after migration, as measures to speed migrants' economic integration at destination. As outlined in the review by [Lall, Selod and Shalizi \(2006\)](#), increasing internal migrants' unionization and protecting migrants' rights through formal job contracts could also enhance migrants' wellbeing. Other relevant policy suggestions provided by [Lall, Selod and Shalizi \(2006\)](#) include ensuring sufficient access to health facilities at the destination and supporting the local political participation of newly arrived internal migrants.

### **Which consequences does internal migration have on migrants' origin families?**

In the case of migration for labor, a migrants' departure implies a loss of income for the origin household. However, this loss can be directly compensated for with transfers from the migrant, especially over the long term. Internal labor migration can benefit origin households also indirectly, by ensuring protection when shocks happen, thus allowing for more stable consumption and higher investments. On the other hand, internal migration for education represents a cost for origin households, in terms of increased education expenditure.

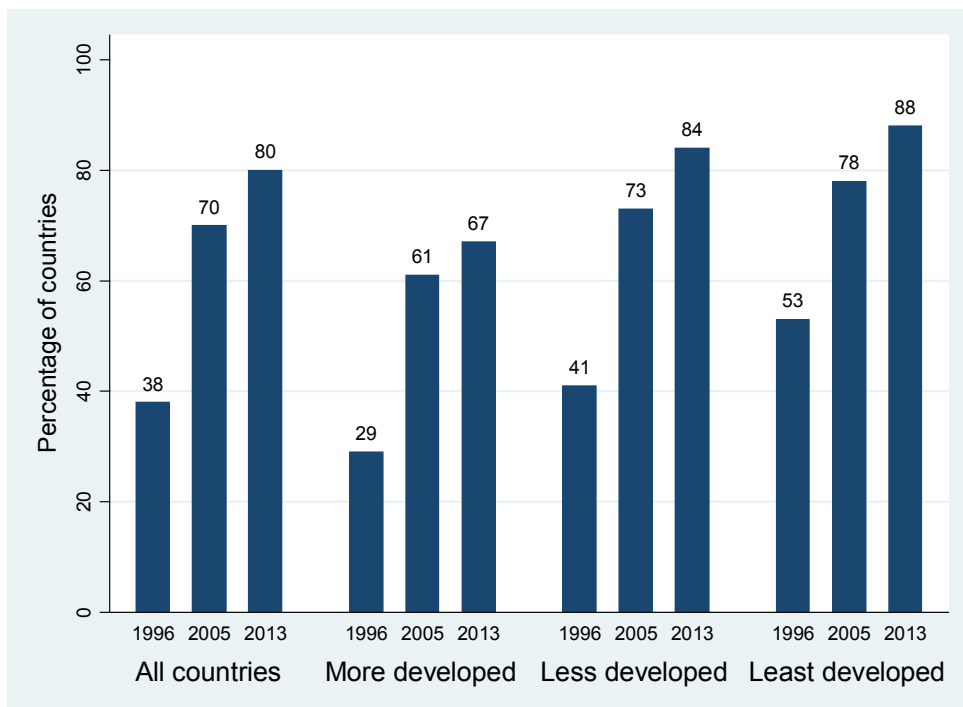
According to empirical studies, which focus on internal migration for labor, the impact of internal migration on origin households can be positive or negative, mainly depending on the context. [De Brauw and Harigaya \(2007\)](#) find that seasonal migration in Vietnam increases origin households' living standards and significantly reduces poverty. [Du, Park and Wang \(2005\)](#) find modest effects of internal migration on poverty reduction in China and explain their result by showing that poor households are relatively less likely to afford internal migration. In the context of rural Bangladesh, [Mendola \(2008\)](#) assesses whether households with migrants are more likely to adopt modern rice seeds varieties compared to households without migrants. The author finds that the positive effect of migration on technology adoption is only verified in the case of international migration. Differently, technology adoption is less likely for households with internal migrants than for non-migrant households. This result could be explained by international migration providing larger remittances relative to internal migration. Moreover, due to greater distances, international migrants' income is less correlated with origin households' income, compared to internal migrants' income. Hence, international moves can also provide better insurance for families at the origin than internal moves can. Given that in rural Bangladesh, households with internal migrants appear to be relatively disadvantaged, migration may actually perpetuate poverty and increase inequality.

This highlights the need for policy that improves the wellbeing of internal migrants' families at origin. For instance, policies easing the transmission of remittances can improve the development impact of internal migration. Moreover, as underlined by [Rozelle, Taylor and De Brauw \(1999\)](#), improving the functioning of formal insurance and credit markets at origin could provide households with alternatives that do not result in the loss of labor income in the short term. For example, micro-finance could prove beneficial, even for the poorest households that cannot afford internal migration ([Lall, Selod and Shalizi, 2006](#)).

## Internal migration and urbanization

There is widespread concern that internal migration causes over-population and unemployment in urban centers, thus contributing to the creation of slums. This concern most likely motivates increases in institutional restrictions to internal individual mobility. As shown by Fig. 1, the number of countries restricting individual internal mobility is increasing.

Fig. 1. Governments with policies to lower migration from rural areas to urban areas, by level of development, 1996-2013



Source: [United Nations \(2013b\)](#)

Although in some contexts internal migration significantly changes the population distribution within a country, in a great many cases internal migration does not appear to be the main determinant of urbanization. Differently, very often urbanization is driven by other two factors: first, a higher rate of natural population increase in urban than in rural areas, and, second, reclassification of rural settlements as urban, as population thresholds are overcome (Cohen, 2004). Researchers regularly recommend eliminating restrictions to internal mobility, which, in addition to being unethical, are considered to be unwarranted measures that reduce overall national economic growth (Fox, 2014; Meng, 2012).

More important, urbanization, *per se*, is neither a necessary nor a sufficient condition for slums to exist, which can also emerge in contexts of urban population decline (Fox, 2014). In other words, there can be rapid urbanization without slum creation, as shown, for instance, by the case of South Korea. As explained by Fox (2014), the expansion of slums in Sub-Saharan Africa has its roots in institutional weaknesses and historical patterns of under-investment in urban planning and development.

## Conclusion

Overall, internal migration is viewed as a desirable process that spreads the benefits of economic agglomeration to marginalized areas. Moreover, in most cases, internal mobility does not appear to cause over-population or unemployment at the destinations. Thus, allowing free mobility within countries is not just ethically justified, it also results in a stronger economic base for all citizens, regardless of where they live.

However, in some circumstances, internal migration can reduce the wellbeing of migrants and their families. More research is needed to better understand the relationship between internal migration and wellbeing in developing countries, and the resulting policy implications. However, recent contributions already present policy measures that help manage the process of internal migration. These include providing better information to prospective migrants on conditions and opportunities in potential destination areas, increasing education for migrants and prospective migrants, as well as providing internal migrants sufficient access to health services. Easing remittance transfers not only improves the wellbeing of internal migrants' families, but also, through a multiplier effect, benefits the overall origin area. Improving the functioning of formal credit and insurance markets in rural areas, for instance through micro-finance, is desirable as it increases households' investment and insurance possibilities.

Collecting more comprehensive datasets on internal migration would allow further research. For instance, it is important to understand the relationship between internal migration and education at origin: does internal migration damage origin areas by impoverishing them of the most educated individuals? Or does internal migration benefit rural areas by increasing incentives to acquire education? Finally, developing countries have both internal and international migrants. Where possible, studies on migration and wellbeing should consider the different migration types.

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