

Rural-Urban Migration and welfare of smallholder farming households in South-west Nigeria

Rural populations, whose livelihoods depend on agriculture, are particularly vulnerable to migration pressures. This is because they have limited ability to cope with and manage risk (IOM, 2017). In addition, rural push” factors such as environmental degradation, climate change, high poverty rates, lack of alternative jobs, and poor availability and access to basic facilities, motivate the movement of labour from rural to Urban areas (FAO IFAD IOM WFP, 2018; Zabbey and Babatunde 2019). In Nigeria, government policies favour rural-urban migration. This is because the Nigerian economy is largely dependent on oil revenue and this income is shared among the federating units at the neglect of agriculture and rural areas. More so, the dwindling oil price makes funds insufficient for investing in developmental activities in the local communities. The after-effect of these challenges is the movement of persons from rural and local communities to the city that harbours the seat of governance (Zabbey and Babatunde 2019).

The migration of labour from rural to urban areas poses a challenge to food security even in rural areas. Rural-urban migrants also experience challenges with earning income in urban areas as they often do not have the requisite skill for employment in decent work type in the urban areas and this limits their ability to send funds to families left behind. Several studies provide evidence on the effect of remittance from rural-urban migrants on rural household welfare mainly captured using food security. The findings in the extant literature show that remittances sent home by migrants can have some effect not only on food but non-food expenditure (Sowunmi and Adeduntan, 2020; Nguyen, et. al. 2017). Where this is the case, rural-urban migration will serve as a form of insurance for families left behind. Significant effects of remittances on food and nonfood consumption are arguably observed where remittances can compensate for lower agricultural productivity of rural households due to labour migration (Duda et. al. 2018). With this position, migration will not always function as a pathway out of food insecurity and raising non-food expenditure. Where remittances serve as a buffer for food spending, the chances of spending on investments are also possible. While this can be the case, findings on the effect of remittances on asset accumulation by rural households left behind are scarce in the literature. Of concern is that rural-urban labour migrants may find it difficult to send substantial amounts of money home that will have any noticeable effect on food and non-food spending or even asset accumulation

(Chandrasekhar et. al., 2015). This is due to low skill empowerment of rural labour attracting minimal income compared to urban residents. Findings for the effect of remittances on rural household welfare is therefore important to decipher the role of migration on households left behind, especially in Nigeria where there are mass movement of persons from rural to urban areas due to increased government focus in urban centres creating more economic opportunities in urban areas.

Objectives

This study is set out to determine whether remittances from rural-urban migration in Nigeria, has any significant effect on rural household welfare in terms of food and non-food expenditure as well as asset accumulation. This is necessary to verify whether some positives of rural-urban migration counter the negative effect of a fall in labour productivity and income due to the movement of skilled labour from rural to urban areas. This is to establish the chance of coming out of poverty that is prevalent in rural areas due to the migration of labour from rural to urban areas.

Research Methodology

This study is hinged on the dual labour market theory. The theory associate's migration with pull factors. Such factors include a better standard of living and a good working environment in migrant destination areas such as the urban centres compared to the place of origin of migrants. In line with this position, individuals migrate for several reasons chiefly economic and send money and other items to support families left behind (Dickens & Lang, 1984; Kurekova et al., 2011). In line with this theory, remittances sent home can increase household consumption and asset accumulation by households left behind. This in turn reduces the poverty prevalence that is common in rural areas.

Following Sowunmi and Adeduntan (2020), the empirical model for the impact of migration on food and non-food consumption is stated as;

$$y_i = \alpha + \delta Rem_i + \gamma X_i + \varepsilon_i \quad (1)$$

Where i captures household units, Y is the outcome variable considered separately as food spending, non-food spending and asset ownership. Asset in this case mainly comprises land

ownership, and X is a vector of control variables. Control variables considered in this study include household size, marital status, gender of household head, marital status, educational attainment, years of farming experience.

Estimation Technique

This study will make use of the propensity score matching (PSM) technique to examine the effect of remittances on food, non-food consumption and asset accumulation. In this case, households with migrants and receiving remittances are considered the treatment group and households without migrants constitute the control group. The PSM is a non-experimental causal inference technique that is applied to balance the treatment groups on confounding factors to draw inferences regarding the causal impact of remittances on the outcome using observational data (Ichimura, & Taber 2001; World Bank, 2024).

Data

Data for the study is obtained from a self-administered questionnaire in selected local government areas in Ondo and Oyo states. The sample frame used for the study follows the Agricultural Development Programme (ADP) sampling. The study stratified Southwest Nigeria into high and low population sizes according to the National Population Commission (NPC, 2006). Ogun, Lagos and Oyo States were grouped under the highly populated states whereas Ekiti, Ondo and Osun States were grouped as low-populated states. Two States were randomly selected from each stratified classification and Oyo and Ondo emerged as representatives for high and low population concentrated areas respectively. Two ADP zones were randomly selected from each state and farming households were purposively selected to make up 450 respondents. A well-structured questionnaire was administered to respondents to generate information on the demographic characteristics of respondents, migration, remittances, food and non-food consumption spending.

Expected findings

The direction of the effect of rural urban migration on food and nonfood spending as well as asset accumulation cannot be predicted with certainty. It will depend on the amount of remittances sent home by migrants and the expenditure choice of rural households. The findings of the study will

be relevant for policy actions concerning rural-urban migration and reducing poverty concerns in Nigeria.

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