Determinants of Economic Condition of Rural-Urban Migrants at Place of Destination: The case of Nekemte City, Western Ethiopia

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The over whole purpose of the study was to investigate determinants of economic condition of rural-urban migrants in Nekemte city, Western Ethiopia. Specifically, the objectives delved on assessing post migration economic condition of migrants and determining factors of migrant attributes playing significant role. A longitudinal research design with qualitative and quantitative approaches of data collection and analysis were employed. Accordingly, relevant data was collected from randomly selected 184 individuals identified by the municipality as migrants through survey and key informant interview. The study uncovered that the variation of annual income, amount of saving, access to education and job satisfaction of migrants before and after migration was statistically significant at (p<0.001) indicating a general improvement in economic condition in post migration. Moreover, as per regression analysis, gender of migrant, level of education, job type, years of stay and access to loans were found to significantly determine income change in post migration. Conclusively, though many remains to be studied, it's evident from the finding that rural out migration could potentially improve the wellbeing of the migrants and thus, the national and regional governments need to devise policies and strategies that fosters rural-urban linkage for promoting greater economic opportunities .

Keywords: destination, determinants, economic condition, rural-urban

Migration is a worldwide phenomenon, with movements encompassing both internal and international across borders. The world has an estimated 244 million international migrants and 763 million internal migrants. In other words, migrants constitute more than 1 billion people, or one-seventh of the world's population (UN DESA, 2017). By 2050, urban areas in developing economies are projected to host between two to three billion new migrants, accounting for 95 per cent of global urban growth, with African cities taking the lion's percentage of the increase (Awumbila, 2014). Empirical reports of UNEP, (2016) reveal that, though urban areas constitute only less than 2 per cent of Earth's surface, they possess the lion's share (80 per cent) of economic output and between 60 and 80 per cent of energy consumption. About 97 per cent of global GDP is produced by industry and services employing about 65 per cent of global working population where most of these activities concentrate in urban areas to

use the advantage of economies of scale and agglomeration economies (Satterthwaite et al., 2010).

Rural urban migration is specifically seen as exacerbating pressure on urban social services, environment and employment, and there is an underlying postulation that the phenomenon is leading to rising levels of urban poverty (Awumbila, 2014). Nevertheless, in spite of the existing adverse outlook of urban expansion in Africa, urban areas are becoming the leading destination and centre of human development as a whole (UN-Habitat, 2012). In its outlook towards urban areas face more challenges than the country as a whole in migration governance, the IOM (2015) suggested that, the issue deserve the forefront of urban planning and sustainable development. The authors further pointed out that UN Habitat reports continued to undermine migration issues. For instance, the World Cities Report of UN Habitat (2016) advocates a rights-based approach, which is potentially an argument against urban expansion. The report appears to address urban socio-economic problems thereby advocating "the right to the city" at the cost of "the right to food" of migrants (Aerni, 2014). However, rights could not be attained without putting institutions into effect (Juma, 2013). Furthermore, according to Aerni, (2016), the rationale for giving less emphasis to the challenges of internal migration is mainly, the western states are highly influenced by international migration than internal migration.

It was also reported that policies that aim to limit rural-urban migration consider migrants as cause for current urban problems with the assumption that rural migrants come to urban areas along with their poverty though the policies fall short of meeting the desired socio-economic objectives. For instance, review of population policies in emerging economies reveal that attempt to limit rural-urban migration remained not only unsuccessful but resulted in the enduring social inequalities (McGranahan et al., 2014). Tacoli (2006) further added that rural-urban migrants make use of the relocation to improve their socio-economic condition and there exists limited empirical evidence to conclude that rural-urban migration contributes to urban poverty. Reports of UNDP, (2006) also confirm that though international migration attracted much emphasis in the current migration issues, the role of internal migration is by far significant in the size of people involved and its contribution in poverty reduction through remittances.

According to IOM (2022), rural-urban migration plays significant role in reducing poverty level using the social and economic opportunities that urban areas provide which are absent in the countryside. It was also reported that upon proper management, migration can potentially generate prospects for improved living standard while serving as a weapon to overthrow poverty and materialize economic growth (UN DESA, 2019). The ever flourishing of large cities in Asia and sub-Saharan Africa obscured the demographic and socio-economic importance of smaller urban areas mainly due to distinctions in the criteria used to define urbanity from rurality. However, these smaller urban areas can potentially contribute for regional development and assist rural transformation through diversification of household livelihoods. The report of UCLG, (2016) revealed that smaller urban like areas are crucial in the emerging interest in territorial approaches to regional development. In addition, Ahimed et al., (2010) cited in Yousaf et al., (2022) stated that, the role of migration in exchanging new information and

its provision in the development of efficient skills in many arenas both in developed and developing economies should not be underestimated.

Studies show that mishandling of migrants can potentially cause social, economic and environmental challenges whereas good treatment helps to stimulate economic growth and contribute for sustainable development. For instance, Tacoli et al., (2016) argued that urban policies that underestimate migrants would result in economic and cultural segregation. On the other hand, urban policies that assume migrants as a threat to urban life would the victim of crime, discrimination and socio-economic divergence among its people (Ahmed, 2012). According to (Sassen, 2015), urban policy makers those encouraging migrants to become entrepreneurs would reap economic growth in the long run. These entrepreneurial migrants engage in various sectors of the available opportunities contributing for socio-economic growth of the city while generating additional fund as a tax payer which support further expansion of urban social services.

A study conducted by Qazi et al., (2021) in Pakhtun regions of Pakistan and Afghanistan, identified low level of urbanization and industrialization as the leading factors of underdeveloped economy which was linked to rural dominated setting, subsistence agriculture and social psychology of the area. Further, the scholars recommended expansion of planned urbanization as a mechanism of changing the social psychology of the agrarian population of Pakhtun-inhabited areas. Muhammad and Khadim (2020) argued that even though economic development is a common objective of almost all countries, the most important point is what controls economic development and how countries ensure the development of the factor so to have their economy grow sustainably.

Migration researchers argue that reaching on comprehensive migration theory is hardly possible owing to the dynamic nature and complexity of the issue (Castles & Miller 2009). On theoretical base, this study mainly adopted push-pull model introduced by (Lee, 1966) focusing on the stimulating roles of two factors (push and pull) prevailing in two different geographic areas (place of origin and destination) respectively. The rationale for using this theoretical approach is the fact that it can adequately addresses the consequences of migration at places of destination at micro scale (Abebe, 2014).

Projections for urban population Ethiopia, which is one of the least urbanized countries in the world, indicate that the proportion of people living in urban centres will double itself over the next four decades from 17% in 2010 to 38% in 2050 (UN DESA, 2011). Nekemte city, the capital of East Wollega zone is among the highest migrant receiving urban areas in Ethiopia. For instance, the study conducted by Ayenalem, (2009), on major causes of urban growth in Western Ethiopia reported rural-urban migration as the main reason and put Nekemte city among the fastest growing urban areas with well over the national average growth rate for major urban (4 percent). There is lack of sound knowledge and understanding of determinants of economic condition of rural-urban migrants in the study area. Abebe (2014) pointed out that, in Ethiopia, most of the existing literatures revolve around international migration while only limited researches focused on internal migrations most which are indeed conducted by European researchers. It was also

reported that local level of migration studies are absent from many scholars enrichments (Mitara & Murayama, 2008). On top of that, there is apparently negligible research work conducted at empirical level in the study area which prompted the researcher to conduct a study on the issue with the objectives of assessing determinants of economic condition of rural-urban migrants at place of destination.

Method

Description of the Study Area: Nekemte is a zonal capital of East Wollega zone found in Oromia regional state, western Ethiopia. Geographically, it's located at $9^0 3'0''$N latitude and $36^0 29'0''$E longitude which is found at a distance of 330 kilometers to the west of the capital city of the country (Addis Ababa).

Projection of 2007 census data (CSA, 2007) using the then average growth rate for urban areas (4%) showed that the city has a total population of 116,762 where about 55, 533 and 61,229 were males and females respectively in 2020. Tom (2018 p. 9) reported that the share of the life time migrants from the population of Nekemte city accounts for about 73.82 per cent. Official sources also indicated the existence of 4,100 recent migrants in the current study zones of the city. The major economic activities practiced in the city are trade, hotels and restaurants. Urban agriculture like dairy, beef and poultry farming are becoming important sources of income and employment for considerable fraction of the people in the city. Furthermore, constructions, wood and metal works are areas of temporary employment opportunities (*Nekemte* city Administration office, 2020).

Fig. 2.1 Map of the study area
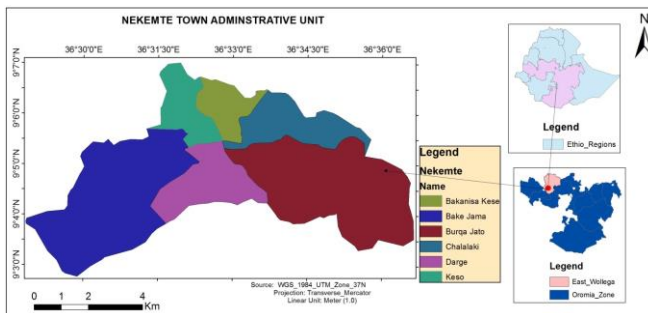
Source: GIS data, 2020

Longitudinal research design with quantitative and qualitative approaches of data collection and analysis was employed in the study. In the process of obtaining a manageable size, from the existing seven sub cities, *Chalalaki* subcity was purposively selected grounding on relative concentration of migrants in the city. According to official source, the sub city is further divided in to twelve zones (Nekemte City Administration, 2020). Accordingly, the researcher purposively selected the last four zones (zone 09, zone 10, zone11 and zone 12) grounding on relative proportion of migrants. A sample

size of 184 migrants was statistically determined and randomly selected proportionally from 4,100 migrants in the study area based on the size of migrants in each zone.

Data Collection: Relevant data for the study was gathered through questionnaire from migrants. The questionnaire was mainly sought to elicit information of migrants' demographic characteristics, economic condition before and after migration. Moreover, interview was also conducted with purposively selected community representatives and officials from the urban administration to enrich the survey data.

Data Analysis: Analysis of quantifiable data was conducted through descriptive and inferential statistics using SPSS version 20. T-test was used to test the significance of income change before and in post migration while regression statistics was used to determine the major predictors of the change. In addition, qualitative findings were analyzed along with survey results through triangulation.

Model specification
The study attempted to determine as to what explanatory variables are more responsible for change of income in post migration using logistic regression model. The independent variables tested include gender of migrants (MIG_GEND), marital status (MIG_MAR_ST), educational status (MIG_ED_ST), years of stay (MIG_YEA_ST), types of job (MIG_JO_TYP) and migrant place of origin (MIG_OR) whereas migrant income condition (MIG_INC) was dependent variable.
Thus, the equation is written as

$$\text{Logit } (P_i) = \log \left(\frac{P_i}{1-P_i}\right) \beta = \beta_o + \beta_1 X_{1i} + \beta_2 X2i + \ldots + \beta_k X_{ki} \quad \ldots\ldots\ldots\ldots\ldots\ldots (1)$$

Making some arrangements of equation the above model or relation can be written as;

$$P_i/1\text{-}p_i = (e^{\lambda i}/ (1+ e^{\lambda i)})/ 1/ (1+e^{\lambda i}) = e^{\lambda i} \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (2)$$

Where, $P_i = E (y_i =1/x_i) = e^{\lambda i}/ (1+ e^{\lambda i)}$ (contributed to income change)

$1\text{-}p_i = 1/ (1+e^{\lambda i})$ (did not contributed to income change)

Results

Table 1
t-tests of the socio-economic condition before and after migration

Variables	Before migration (mean)	After migration (mean)	T-test	Sig.
Annual Income (in ETB)	2,206.52	5,320.65	6.10	p<0.001
Amount of saving (in ETB)	339.6 (19.6%)	3,532.6(92.4%)	8.65	p<0.001
Educational level	2.24	2.92	4.31	P<0.001
Job satisfaction	1.64	3.84		
Social security	4.32	1.67	17.85	p<0.001
			37.13	p<0.001

Source: Survey result, 2020

Rural-urban migration has a potential to positively affect migrants' economic conditions. It's apparent from (table 1) that the mean variation of migrants' annual income and amount of saving before and after migration was statistically significant at p<0.001 indicating a general improvement after migration. In a nutshell, the mean annual income has shown an increment from ETB 2,206.52 before migration to ETB 5,320.65 after migration indicating an encouraging trend. Moreover, migrants were used to save only ETB 339.6 per capita (with only 19.6% having saving account) before migration which has shown an impressive increment to about ETB 3,532.6 per capita (more than ten times) with 92.4% having saving account after migration.

In addition, the mean variation of the educational status and job satisfaction before and after migration was statistically significant at p<0.001 showing an encouraging increment after migration. The result of interviews uncovered that most of the migrants were upgrading their educational status using the available educational opportunities operating in various programs. Most of laborers and merchants follow their schooling in evening programs and others in weekend and distance extensions while accomplishing their livelihood activities and educations side by side. However, social security condition of the migrants was also tested to have statistically significant difference (p<0.001) indicating a discouraging condition in post migration. In line with this, migrants, particularly working as daily laborers in the city stated that they feel socially insecure as they are working without any insurance contracts and absence of formally written work agreements.

Table 2

Regression Analysis of the Major Predictors of Income Change Model summary

Model	R	R square	Adjusted R square	Std. Error of the estimate
1	.969	.939	.936	884.56222

Coefficients [a]		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	-6992.990	1261.578		-5.543	.000
	Gender of migrant	-4901.904	477.316	-.705	10.270	.000
	Marital Status	-97.623	156.484	-.020	-.624	.534
	Educational status	356.746	154.884	.106	2.303	.022
	Years of stay	164.537	54.011	.146	3.046	.003
	Job type	1641.402	133.256	.503	12.318	.000
	Place of origin	-51.732	174.823	-.007	-.296	.768
	Own house	-870.854	455.088	-.117	-1.914	.057
	Access to loans	2843.127	451.299	.167	6.300	.000
a. Dependent Variable: Migrant Income After migration						

Source: Survey result, 2020

Progress of income in post migration Table 2 was regressed on predicating variables (migrant gender, migrant job type, access to loans, years of stay and educational status)

indicated (F=296.45, p<0.001 with R^2 =93.9) suggesting that 93.9% of the variation is predicted by the listed factors in the model. In a nutshell, gender of migrant (β=-.705, t=-10.270, p<.001), job type of migrant (β=.503, t=12.318, p<.001) and migrant access to loans (β=.167, t=6.300 and p<.001) were observed as the major predicting variables of income of migrants. In addition, migrant educational status (β=.106, t=2.303, p=.022) and years of stay (β=.146, t=3.046, p=.003) were found to have statistically significant contribution in post income change of the migrants. Conversely, migrant marital status (β=-.020, t=-.624 and p=.534), place of origin (β=-.007, t=-.296 and p=.768) and migrant own house (β=-.117, t=-.1.914 and p=.057) were tested and regressed to have statistically insignificant contribution to income difference between pre and post migration.

Discussions

The study disclosed a statistically significant and an encouraging trend of migrants' improvement in their income and amount of saving, educational status and job satisfaction after migration to the city. In other words, migrants were found to meet their expectation of higher wages in urban areas through real life experience in post migration. These provide a strong evidence of the positive impact of rural-urban migration on migrants' socio-economic conditions in the study area. Consistent with this finding, a study by Sethurman (1981) shows that, almost two-thirds of the male and female migrants reported to be better off in their monthly income after migration than before. Furthermore, Using a multicollinearity analysis, (Kazi, 2018) found statistically significant improvement in economic conditions, increased savings, improved poverty level and education of children in post migration at place of destination. In addition, Uyilowohma et al., (2021), by using meta-analysis observed significant positive association between delivery of credit facilities and the improvement in child nourishment and increased birth control practice.

The finding of Henderson et al., (2017) also found that recurrent drought in Africa caused increment of urban expansion which eventually resulted in improvement of migrant income owing to the relative concentration of manufacturing and other service sector opportunities in urban areas. Further, Irhoumah et al. (2020), using structural equation modelling, found that women's accessibility to microfinance has contributed positively to consumption expenditure and most importantly, reduced poverty among households in Egypt.

However, when it comes to social security, the migrants were surveyed to be ill-treated by the urban administrators as they believe that additional immigrants exacerbate pressure on the limited urban social services. Migrants claim that they live within insecurity from the government as their slums are being demolished frequently evicting hundreds of households to become homeless. In relation to this finding, Umar (2018) reported that though post migration welfare condition of migrants has shown relative improvement, the social protection of migrants was found to be low indicated by absence of insurance contracts and formal work agreements with their employers. Similarly, according to the report of UN Habitat (2012), the existing low capacity of cities to accommodate the increasing immigrants has resulted in adverse policy prescription of governments and city authorities on migration to urban areas.

On the other hand, migrant attributes particularly gender of migrant, level of education, job type, years of stay and access to loans played significant role in income change in post migration. Consistent with this finding, Umar (2018), reported that the personal background of migrants, such as educational status, work experience, and monthly income have a significant positive effect on the quality of their employment. Similarly, studies that focused on controlling factors of migrants welfare at destination areas found that migrants' extent of success is a function of human and social capital (Shah, 2000), duration of migration period, the standard of working situations and prevalence of social networks (Akay, 2012).

Conclusion

The overall of purpose of the paper focused on assessing determinants of economic condition of rural-urban migrants at place of destination. It was investigated that the economic condition (income and amount of saving), educational opportunities and job satisfaction of the migrants has shown an encouraging trend and a general improvement in post migration. However, legal problems of slum settlements and violence owing to low police service around informal settlements were found to increase migrants' dissatisfaction to live in the area. On the other hand, gender of migrant, job type, years of stay, access to loans, and educational status were found to positively determine income change of migrants. Generally, grounding on these findings, the author concludes that if managed intelligently and humanely, rural urban migration could be an opportunity rather than a challenge for sustainable development of cities.

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