

Money Will Come From Abroad: Household Expectations and Uncertainties About Their Migrant Members

Introduction

In developing countries lack or and inadequate access to private insurance or public programmes make households use of transfer of physical and human resources within social networks to smooth impact of economic shocks. A body of literature has shown how households use transfers and remittances to deal with the impact of poverty (Rosenzweig, 1988; Guy 2002; Rosenzweig and Stark 1989; Adams 2006; Taylor 2006), and how, for these mutual benefits, households members come together to support migration of one or two of their members (Stark 1991, Hein de Haas, 2007). While the new economics of migration has proved to be very important in migration expectations and decisions, they often imply that households have perfect knowledge of socio-economic conditions of both the countries of origin and destinations (Stark and Bloom 1985; Stark 1991). While the former is mostly to be true the latter is not always the case. Some studies have found that, even to their own relatives, migrants do not give the right information about their economic and sometimes social conditions at their places of destination. They understate their income for fear of over extortions from relatives at home; they do not give accurate information about the type of job they do etc (Mckenzie et al 2007). The effects of imperfect knowledge of the economic conditions on expectations from migrant by those left at home, which has rarely seen rigorous empirical test in economic demography literature is the focus of this paper.

The paper tries to answer three main questions. One, in absence or inadequate knowledge of socio-economic conditions of migrant members, do households socio-economic and demographic background become the major influence in the level of expectations from migrants? Two, in absence or inadequate knowledge of socio-economic conditions of migrant members, does the performance (in terms of remittances, establishment of business at home of origin etc (the realised benefits)) of previous migrants become the major influence in expectation levels of those left at home? And three, given the answers to questions One and Two, at what point can those left at home be said to be unrealistic in their expectations?

Theoretical Focus

General economic approach to international migration expectations has been an integral part of cost-benefit analyses in migration decisions of the potential migrant. That is the actor (potential migrant) moves to an international location where the expected discounted net returns are greater (Borjas, 1990 cited in Massey et al, 1993). The neoclassical economics of migration's narrow view of migration as an individual decision has been expanded by the new economics of migration that

families or households as units of production diversify risks through international migration irrespective of wage differentials. According to this school, households decide to send members abroad not only to increase income in absolute terms, but also to increase wealth relative to other households so as to reduce their relative deprivation compared to other households in the reference group (Sark, 1991). Implicit in this school of thought is the sense of material lack which the household expects to fill by sending a member abroad. Thus whoever moves from the household to another country is expected to help the household to fill the gap. As found in many studies the expected benefits could be anything from financial to nonfinancial (Adam, 2006; Taylor, 2006).

Implicit in the new economics of migration and its variants is the assumption that the migrant member would cooperate fully in terms of disclosing income and general socioeconomic conditions to enable those left behind to maximise their expected benefits. But in most cases this assumption is not tenable as migrant members do not disclose their income or economic conditions for fear of excessive demands from relatives (Mckenzie et al 2007). Thus in most cases those left behind do not know the economic conditions of the migrant member. So how do they maximise their expected benefits? The theoretical focus of this study is that in absence of adequate knowledge of economic conditions of migrant members, relatives left behind would maximise their levels of expectations (benefits) based on the interaction between socio-demographic characteristics of previous migrants, and what they have been able to do for their family and relatives in the community of origin (the realised benefits).

The validity of this modification to the theory of new economics of migration would give a theoretical explanation of two major phenomena happening in some high emigrating communities in Sub-Saharan Africa, especially in Ghana. One, it would explain why those left behind make the demands they do from their migrant members. "Others like you (in terms of education, gender, age, destination country etc) have done it so why can't you?" Two also contribute, it will, especially in this case, to explaining why most youths of these emigrating areas do not want to extend their education beyond secondary school, but seek to travel abroad given that this is one of the richest areas in the country. "Successive of previous migrants without university education have achieved so much so why should go to the university" as put by one interviewee.

Method and Data

The main analyses will proceed in the following sequence: One, a first level of degree of selectivity will be determined to find whether or not households that have high level of expectations (maximisation of benefits) are fundamentally different from those that do not. The second level of selectivity analyses will be run to find whether or not households that know more about the

socioeconomic conditions of their migrant members are fundamentally different in their expectations from those that do not know much.

Two, models for expected benefits of households, and for realised benefits from migrants will be estimated. The aim is to find out whether the structure of the determinants for expected benefits is the same or, at least, similar to the structure of realised benefits especially in terms of socioeconomic and demographic background of the households.

Three, controlling for the socioeconomic backgrounds of households and migrants, a model for determining the marginal effects of knowledge, inadequate knowledge and lack of knowledge of migrant's economic conditions on maximisation of benefits by those left at home of origin will be used. Elasticities of responsiveness to changes in the expectation levels given a unit change in the level of knowledge of socioeconomic conditions of migrant members will also be estimated from this model.

The fourth major analyses will be an estimation of an index that will show a spectrum of whether or not those left at home are demanding. The estimation procedure of this index combines the level of expectation with the expected time, and realised time for the realised benefits. Those that fall below the mean will be classified as more demanding than those above the mean. This will become a dependant variable of a logistic regression to determine the socioeconomic and demographic background of the household and the migrant as well as the interaction between the two that help explain/predict why one household would be more demanding than the other.

The data for this study is from a survey conducted earlier this year (2009) in two major emigrating districts in the Brong Ahafo Region of Ghana. The survey, sponsored by a South African labour market and household research company, Growth Laboratory (G' Lab), covers information on socioeconomic and demographic background of households and their international migrant members. Households were asked to provide this socioeconomic and demographic background information on their individual migrant members before and after they migrated as well as potential migrants. It is from this information that the degree of knowledge of socioeconomic background of the migrant member will be estimated. This information includes what migrants have done for them and other relatives. They were also asked to list their expectations of potential migrants and the duration within which they expect the potential migrants to meet those expectations. The carefully designed survey also includes non-migrant households which will help in the first level of selectivity analyses. In all 1260 of the 1300 sampled households responded to the survey making a response rate of about 97%.

Expected Findings

No major findings has been found yet as model development and analyse are at their early stages. But when full analyses are done it is expected that:

One, there will not be any serious selectivity in the various levels of expectations as international migration (both legal and illegal) in this area has become so common that most households have at least one member or close relatives abroad. It is also expected that there will not be any selectivity in levels of knowledge as most

households do not know how much their migrant members earn or the type of work they do in the destination country.

Two, it is expected that levels of income (wealth), household size, relationships, level of education, length of migrant's stay in abroad etc will all be significant factors in determining both the level of expectation and also realised benefits. But when the level of knowledge of migrant's conditions are controlled, it is expected that the characteristics of household left behind would cease to be significant factors in determining levels of expectation. The performance of previous migrants would rather be the major factor determining the levels of expectations that households have for the potential migrant. It is also expected that unit increase in the knowledge of migrants would have a positive or negative effect on the level of expectations in the no-knowledge scenario depending on the type of knowledge. For example, the knowledge of some deplorable conditions or a little income would induce lower level of expectation for potential migrants.

Three, controlling for all factors it is expected that poorer households would be more demanding than richer ones as they want to catch up with their neighbours in a shortest possible period. But this would hugely depend on their previous experience with and level of knowledge of migrants members.

Key words: household, migrant, potential migrant, expectations (expected benefits), realised benefits.

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