Institutions and Economies
Vol. 9, No. 3, July 2017, pp. 51-69

Patterns and Outcomes of Migration and Remittance Flows in Nigeria: An Exploratory Evidence

Chukwuma Agu[a], Anthony Orji[b]

Abstract: *This study examines patterns and outcomes of migration and remittance flows into Nigeria. The analysis includes remittances from persons who were not former members of households but who send remittances to households in the country as well as return migrants. The aim is to study the effects of remittances on the economy of Nigeria as their implications for growth, while taking into cognisance income from the country of origin. Results show that there are differences in the number of households that receive remittances in different regions of the country (North vs South), and there are also differences in the number of senders from different destinations. The study also shows that both internal and international migrations in the country are driven by the search for meaningful livelihood, particularly as it relates to improved employment opportunities. To this end, this study serves as a fundamental step towards understanding dynamics of migration and remittances in Nigeria. It therefore recommends that sound labour and migration policies should be implemented by the government in order provide jobs for the rapidly growing population and also to maximise the benefits of internal and international migration (within and outside the continent).*

Keywords: Remittance, flows, income, country, migration, survey data
***JEL Classification*:** F22, F24, O15; R23

Article received: 16 July 2016; Article accepted: 11 May 2017

1. Introduction

International migration flows have been discussed in depth in the literature on economic development. In fact, migration now plays a significant role in the growth of less developed countries. Evidence shows migrant remittances constitute the second largest source of foreign transfers to the developing world with Foreign Direct Investment (FDI) coming first. Remittances have also been found to play a more vital role than official development assistance, public capital transfers and public aid (World Bank, 2014). Consequently, international organisations and agencies such as the World

[a] Institute of Development Studies, University of Nigeria, Enugu Campus.
[b] Corresponding Author. Department of Economics, University of Nigeria, Nsukka. *Email: anthony.orji@unn.edu.ng*

Bank, IMF and others, argue that remittances constitute a vital force in the growth process of developing countries. In fact, it is regarded as an engine of development.

Nigeria, like other developing countries, is recipient country and so is the Philippines which literally depend on migrant remittances to fund its development needs. Relative to many other developing countries, the number of Indian migrant labour in the developed world help boost the nation's development via their remittances. Mexico and a number of Latin American countries continuously push US, Canada and other developed countries to relax its immigrations rules because of the important part migration and remittances now play in the daily subsistence of their citizens. Samoa, with over half of the population outside the country, strict international migration policies can adversely affect its economy. In some countries, remittances from abroad account for almost 50% of their GDP (World Bank, 2014). The debate on the role of remittances is centred on the following: First, although remittances may be spent on investment-type goods (e.g., education, health, housing or other durables), they may not be productive businesses. Second, even if remittances are not directly spent on investment in business or in human capital, they may free up other resources for spending on such investments. This is because remittances like every other source of income are fungible. Third, remittances may generate new local employment opportunities since increased spending on consumer goods may create incentives for the establishment of new retail businesses (unless the goods are imported) that may be beneficial for local development (Castaldo & Reillydo, 2007).

Consequently, understanding the dynamics of migration is critical for development of the Third World. Clearly, for many years, attention of global policy makers has been on the movement of capital and goods, with little coordinated efforts on policies affecting movement of persons. Demand by most developing countries to include the movement of persons in WTO negotiations underscore a growing realisation that this area of comparative advantage for developing countries may no longer be ignored. However, h data and studies to enable one to understand migration at the national and global levels as well as its attendant challenges and gains accruable to participating countries are lacking. Assessment of trends, which in turn form the basis of policies on intra- and inter-national movement of persons, are mainly based on anecdotal evidence. Very few studies have looked at the economic and social impacts of current trends in international migration and remittances. Studies that have contributed to the debate on migration patterns and remittances include consumption patterns of remittance receiving households (Zarate-Hoyos, 2004); economic impact of remittances (Ballard, 2005); debate on immigration and its deathly silence on development (Clemons & Bazzi, 2008); incidence and effects of remittances on income