RIK International Journal of Social Sciences and Humanities (RIK-IJSSH) *Vol. 9 No. 1, March 2025*
ISSN: 2350-5342 (Print)
ISSN: 2350-143X (Online)

Migrants Remittances and its Development impact on Nigeria Between 2000 and 2010

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Abstract

Migration has always been viewed as portentous on the sending country. But this paper argues effectively that migrants' remittances could be a veritable source of development for the sending country with particular reference to Nigeria. The discussion becomes pertinent in the realization that migration cannot be effectively controlled as migrants are willing to effect their migration at all costs. The discourse will consider the reasons people leave for other countries - such factors as political instability, better opportunities in the target countries, unemployment, among others. Data for the study were generated through the United Nation's data for Nigeria of differing years, Nigeria's immigration statistics, and Ministry of Finance data on annual returns from migrants. Analysis of the data revealed that the remittances to Nigeria is disproportionate to the number of immigrants. The study therefore suggests the following: The need to block all illegal routes of migration from the country; monitor liaison with the receiving countries in other to track immigrants' remittances. Rather than making migration illegal or difficult, it should be encouraged and officially documented so that migrants could be tracked in their various countries of residence. The study discovered that when migrants' remittances are accurately

remitted and properly utilized it would positively affect both the sending and the receiving countries.
Keyword: Development, Migration, remittances, target country.

Introduction

Human migration is a strong dynamic component of the globalized world. History has shown that no society has had all it needs for development sourced internally. There have always been opportunities for borrowing and giving out what others need for development to take place. In Africa, two types of migrations can be recorded, namely, forced migrations and willful migrations. Forced migration witnessed the exodus of Africa's able-bodied men and women during the Trans Atlantic Slave Trade, when Philip Curtin (1969), conservatively put the number at about ten million. Africans who were exported to the New World. The Impact of this mass exodus on the New World has remained a subject of controversy. But an honest assessment puts the balance positively on the New World against Africa. It is undisputable that the labours of the black slaves laid the foundation of the economy of America in the 19th century and has continued to sustain it in subsequent years, while Africa was stagnated economically, culturally, politically and otherwise; its economy derailed from its logical and purposive development path. (Onwuka, N., 2014)

However, as Africa loses her brains, so has she received other races who have played no less significant role in the development of the continent. Beginning from the 8th century, the Western Sudanese empires played host to Arabian merchants who established trading posts along the Sahara Desert and its adjoining regions. Onwubiko, (1967) catalogues the impact of the Arabian visitors which was profound for the Sudanese empires who used them to enhance the administration of their empires as well as other benefits the indigenous Africans got from them. The goods of the Africans attracted the European merchants at the North African trade centers who decided to source the African rich commodities of gold and slaves directly through the coast. Throughout the 15th to the 19th centuries, Africa played host to different countries of Europe who visited for trade, evangelism, imperialism etc. During this time, many exchanges took place including human exchanges. As would be expected, challenges of trade imbalance, and unequal relationships were recorded, yet opportunities that benefited both the indigenes and the visitors existed. One of such benefits was the introduction of western literary education and new crops.

Migrations into Africa and outside has not abated in pre-colonial times, the difference being that while European visitors coming to Africa outnumbered the number of Africans visiting European countries, (with the exception of the slave trade period) today the reverse is the case as the percentage of Africans leaving the shores of Africa is clearly disproportionately larger than the whites coming to Africa. The challenges this lopsided development has caused on Africa is what this paper seeks to address and to posit that the challenges could be turned to prospects seeing that the phenomenon has no foreseeable control from African side. However, one of the benefits sub Saharan Africa could derive from her migrants is remittances when properly coordinated. According to Jemma Dridi, et al in IMF Working paper (2019), remittance inflows have increased significantly in recent years and have become the main financial external inflow in some developing countries, surpassing other inflows that traditionally play an important role in these countries, such as official development assistance and foreign direct investment. (Jemma Dridi et al, 2019). The World Bank estimates that remittances now make up about a third of total financial inflows in developing countries. Like other regions, Africa saw large increases in the last decade. The magnitude of the economic impact of remittances on the receiving countries depends on how this money is spent by the recipient households. If these flows increase consumption in sectors that have strong sectoral linkages with other economic sectors, the positive effect of remittances may propagate to these sectors and have an amplified aggregate effect on the entire economy.(Sasu, D. D., 2022)

One challenge with the remittance would be its management to ensure proper utilization for the benefits of the sending countries. This is the main treatise of Joshua Agbo and Igwe S.C. (2010). The duo in different perspectives satirizes the problem of development in Africa caused from within. Agbo parallels black-on-black racism to white-on-black racism apartheid south Africa. On the part of Igwe, internally generated problem of corruption, perpetuated by African leaders has not allowed them to foster positive policies that could generate employment but rather engenders a followership of corruption with every mismanagement of resources that could have been channeled into meaningful development in Africa. (Igwe, S.C., 2010, p.7). Thus while Rodney, W.(1972) blames the cycle of underdevelopment on the whites, Igwe and Agbo fixes it from within.

Causes of Migration in Nigeria

Causes of migration from Nigeria could be classified into push and pull factors.

The Push factors:

Francis Jennifer identifies the push factors as the negative characteristics of the home country that makes the young ones seek to leave the country. Among these negative characteristics include economic crises such as unemployment, poor conditions of work, non-payment of salary, lack of career growth and prospect, etc. Under political instability, we may enlist factors like colonial hangover, Nigerian civil war, unstable and thoughtless policies such as the quota and federal character policies, lack of visionary leaders, corruption, nepotism, favouritism etc, and under poor social policies we encounter poor infrastructures, unstable educational policies, lack of basic amenities, (light and water), bad roads, lack of or insufficient health facilities etc. We shall just pick only a few of the push factors and elaborate on them.

When we talk of unemployment in Nigeria, it has many tentacles. It stretches from complete lack of what to do by qualified youths to those who are not gainfully employed, and to those who are employed but are not paid at the end of the month. In Nigeria some civil servants in some states are owed up to six to seven months' salary. Some government parastatals are so overstaffed that some workers do nothing in a typical work day but earn salary whenever it comes. Some are underutilized, have their names in the payroll but have established businesses of their own elsewhere. This is most pronounced in the health industry where the medical personnel have their private clinics outside the government hospitals which are better equipped and occupies much of their time than the official work periods. In addition to this malaise, public holidays compete favourably with the normal work hours. A public holiday is observed for a government functionary on the day he/she died, then another two or three days holiday for the burial. The official religious holidays must be observed even when they fall on weekends, the work day following it must be sacrificed to commemorate it. By this the productive days are shortened and productivity sacrificed.

As at 2007, official record of unemployed youth in Nigeria rose to an all-time high of 25 per cent representing a population of 70million of the country's one hundred and seventy million population[5]. What is more worrisome in the figure compared with other countries of the world is that though Nigeria is not the most unemployed country in the world, yet in some countries which Nigeria's unemployment situation is better, many Nigerians migrate to them to seek for employment. It was reported widely in 2018, how hundreds of Nigerian youths perished at the Sahara desert where they were crossing the desert by foot to North Africa to enter western European countries. A mechanical engineer graduate related his ordeal before he got an employment. Being the first son of a widow, he had no choice than to hire a tricycle to ride after few years of fruitless search for work. One day, one of his passengers laughed him to scorn when in an argument he revealed he was a graduate. The young man said he went home and was ready to cross the desert by foot if just to escape from the shame of that day. Thank God for a swift divine intervention that found him a teaching job in a private school. There exist many similar experiences.

Colonialism remains an indelible experience in African history. It is so overbearing that it cannot be whisked away. Even though I do not belong to the Africanists who continually bemoan the colonial experience as the cause of Africa's woes, yet it seems true of this verse in the Bible book of Psalms chapter 11 verse 3 that "if the foundations be destroyed, what can the righteous do?" stands true at all times for Nigeria. Walter Rodney and other Africanist writers have catalogued the features of colonial policies in Africa[6]. No area was Africa infantilized more than the educational sector. All the schools that were established were grammar schools which produced grammarians, leaving science and technology which would have placed Africa on the path of development. Of course the intension was to make Africans ever dependent on the erstwhile powers. This was thoughtfully planned out and is still fulfilling the planned objectives. It is most regrettable that this condition has placed Africans perpetual beggars in the mercies of former colonial powers.

What is more pathetic is the determination of the western powers not to allow any genius to be left for Africa. Wherever they spot them, they are willing to offer anything to whisk such a brain away as if intelligentsia is exclusive preserve of the Caucasian race. The conditions they offer such African intelligentsia are so tempting that only the one who reasons above the average human being can object to it. A typical instance is the case of Dr. Philip Emeagwala, the Onitsha born computer guru which has become renowned as the father of internet. The Vanguard of May 5, 2010 records how this man was taken away from Nigeria twenty-six years ago by United States of America. Since 1974, when he left the shores of Nigeria, he has never set his foot on Nigeria and has no plan for such in the nearest future. According to the report, he even "has no apologies for that". Listen to how they kept him there:

> The American government got his parents, all their 35 children and grand-children to join him in the USA… American government will never allow one of its top brains to venture into a chaotic Nigeria. Speaking with him, you cannot but weep for Nigeria. (David, H., 2005).

The next push factor making Nigeria unattractive to her intelligentsia is inconsistent educational policies. Within the last few years we have had inconsistent educational policies. There was the 6-3-3-4 system, which replaced the one not long before it. 6-3-3-4 was replaced with 9-3-4 system which if properly coordinated, was an excellent system. Unfortunately, there are no structures to implement it. By the time the present administration would end her tenure, the next one would initiate another system incongruent with all what had been established. In addition to inconsistent education policies, the curriculum planners seem to have had no direction and are still groping.

Not a few therefore seek admissions into foreign universities to escape the rigors of internal examinations and when they do secure such admissions, they hardly would come back to Nigeria after their education. It is even easier, they say, to pass foreign exams than to pass some Nigeria's internal exams because those exams are set according to their schemes.

What is more devastating is the removal from the secondary school curriculum few years ago of subjects from the humanities thinking as they thought, that science and technology was the *sure* panacea for Nigeria's underdevelopment problems. Hence history and some other subjects from the humanities were removed from the secondary school curriculum. So it was that science and technology was promoted to the detriment of the arts and humanities to the point that if you go to senior secondary school classes, you may be surprised to see just one out of six or seven classes offering arts. And this one class would need a very high morale to remain because despite the fact that they may be more intelligent than their colleagues in the sciences, they would be regarded as if they are not intelligent. So it is not strange to hear students make proud of belonging to the science classes while those in the arts are derided.

The Pull factors:

The pull factors are the attractive conditions of services available in the developed economies that our youth seek for, such as good pay, good career prospect, good infrastructure, good amenities etc. Yes, the housing and catering for 35 children of Emeagwali's parents and the grand children of the parents are conditions too tempting to reject. Conditions of service in the developed countries are incomparable to what obtains here. There are also good retirement benefits which is grossly lacking in Nigeria. And with a relatively stable society, uninterrupted power supply, good water supply, good roads, etc we cannot blame them for even seeking citizenship of those countries.

How Migration Could be Turned Positively for Nigeria's Development

The negative effects of migration can be catalogued: depleting of natural intellectual talent; loss of thousands of highly educated workers for the benefit of the rich countries and the individuals themselves; loss of huge revenue for the sending countries. It has been estimated that developing countries lose about $4bn yearly in replacement of these skilled workers with the expatriates from the West; it also reduces the already low quality of skilled man power available in African countries whose input were highly needed; it also depletes the number of innovative people and increases dependence on foreign technical assistance; it slows down transfer of technology and widens the gap between Africa and the industrialized countries.(Adelugba, J. https//www.gamji.com/article600/news6246.htm)

Researchers have pointed out that one in every ten university or post secondary adults especially those in the science and technology field from the developing countries, now live in one developed country of the world or another. They added that since it seems likely that the demand for skilled labour in the developed world is unlikely to diminish, that the sucking sound is likely to get louder- meaning that the alarm of migration and brain drain is not going to sound lower. Fortunately, not only the developing countries are concerned about the trend, even the developed economies and multilateral organizations are also concerned. But the big question remains what should be done seeing that the hurt done to the economies of sending nations are overwhelming and debilitating. The solution on the lips of everyone is to stem the flow so as to reduce the scale of emigration. But can stemming the flow produce the most efficient or humane way to tackling the menace?

To Dhananjayan (2005), limiting mobility from one region of the world to another may end up inhibiting development and as well curb the right of would-be migrants. Further, he recommends that greater mobility rather than limiting it could be the most sustainable response to the problem in the long run. He believes, and it is true sometimes, that emigrants some of the time return home with greater skills and value. Yes this is a fact, but the difficulty here is accessing the percentage of returnees. Again, it is true that the emigrants have received education elsewhere, probably subsidized by their host countries through scholarship schemes, as a result, the cost of their departure and their present worth bore no strain on the sending country, if at last they refused to return home, Dhananjayan posits.

Some emigrants in some cases have been unemployed or underemployed at home, so their departure may not actually result in a huge loss to the sending country. In agreement to this view, it is a known fact that no gainfully employed Nigerian for example in Shell oil company, PHCN, any of the banks, or in other well meaning company would in his/her right senses desire to migrate to any foreign country. Conversely, the departure of this class of emigrants has reduced some percentages of the country's unemployment number. What countries like Philippines do is rather to support its temporary contract workers program so that unemployed skilled workers can find work abroad. Following this example of Philippines, migration could be a way of fixing the unemployed skilled workers for jobs abroad.

Let us not also lose sight of the fact that the sending countries of the skilled workers are often compensated (those who migrated legally). According to OECD's 2014 Trends in International Migration, the classic case of this instance is of South African doctors moving to developed countries while being replaced by Cuban doctors.(OECD report, 2004).

Furthermore, the prospect of emigration may carry with it incentives to acquire education and skills and induce additional investment in other aspects of the economy of the sending country, hence turning brain drain to brain gain. Economist, Oded Stark has researched and proved that when this brain gain supersedes the drain, the net impact on welfare and growth may well be positive, and maintains that even in the presence of brain drain, "the average educational level of those who remain may be higher than it would have been without migration" (1991, p.5).

Other positive impact of migration include and not limited to remittances, inward investment, technology transfer, increased trade flows, and charitable activities of Diasporas communities. In fact migration targeted at relevant sectors in developed countries can rather be a blessing to the developing countries. Hence the migrant has a target and with a bond from the sending country to achieve a particular goal after which the migrant comes to affect the home country with the gains of the migration.

Importance of Migrants' Remittances to Nigeria's Development

The United Nations' Sustainable Development Goals (SDGs) identifies remittances as a lifeline for many struggling families and communities in developing countries. Remittances are directly used to provide food for families, access health services and quality education, as well as clean water and sanitation. Compared to foreign aid, the household-to-household nature of remittances make remittances an important and direct vehicle in achieving accelerated poverty reduction. Indeed, there is strong and unambiguous evidence that supports the argument that remittances alleviate poverty in developing countries. On one hand, remittances can impact growth positively through investment and access to credit. Specifically, in a typical developing country where labor supply is abundant but opportunities for formal employment are limited, remittances can help initiate self-employment.

Remittances can facilitate the growth of new small-scale businesses and foster entrepreneurship by relaxing credit constraints, which is common in the informal sector of developing countries. In countries where the increase in remittances is associated with an increase in investment, there is bound to be a stronger positive relationship between remittance and output. Interestingly, the impact of remittances on output may not correlate with the size of the remittances received. For example, in their research, John Nana Francois and others discovered that remittances are likely to have a bigger positive impact in upper-middle-income countries than in low and lower-middle-income countries. They also discovered that remittances could be a useful driver of long-term output compared to foreign aid. By 2017, remittances represented 22 percent of GDP of countries of sub Saharan Africa, according to IMF working papers of 2017.

When remittances are spent within sectors which have strong linkages with the rest of the economy, the sectors that do not benefit directly from remittances expenditure may still experience a growth in demand for their output. This expansion of output is expected to foster employment creation and stimulate investment, and these benefits may be larger as the economy is diversified, and its production structure integrated.

Some critiques proposing the limiting of migration of skilled workers have argued against it on the ground of flinching on the migrants' human rights, and as well perpetuating what is described as compassionate racism as this restriction may cause the developed nations withdraw from sending certain aids to the developing countries. Restriction of migration, it has been suggested, might lead to what has been termed as brain waste. This is because desperate migrants would always beat the legal bans and could even apply to the employers directly, falsifying in some cases, their real qualifications, if only to obtain a permit to migrate. On the macro level, restriction on mobility to the economists can inhibit economic growth. They have argued that increased labour mobility makes good economic sense.

Other countries, like China (1980s-to date) and India (2000s-to date), have tapped into their diaspora resources, their scientists in diaspora, to assist with native national development. As catalysts along this path, China authorized the construction of the Three Gorges River Dam Project in 1980, and has lifted about 675 million citizens from poverty in the past thirty years, 230 million in the recent decade alone, with only about 100 million Chinese still below poverty line as of 2017. (Mejia, A., 2004). Diaspora Chinese played key roles to kick-start the reforms, and technical stimulation of their economy to current GDP of approximately $11.2 trillion (pop. 1.379 billion), rising sharply over the past two decades.(Mejia, A. 2004)

Rather than limiting migration, the developing economies can do restructuring of their policies that would make their countries attractive to their intelligentsia. Promotion of subjects in the humanities would impact positively on the development of Nigeria. Let our students be taught how Tsoede was able to build Nupe from nothing; the bravery of Benin monarch in 1897; how the people of Nok, Ife, Benin and Igbo Ukwu were able to produce works of art of world class; how Jaja of Opobo refused to waste the lives of his statesmen in a battle with the British, but chose to be sent into exile; How Clapperton commended Al-Kanemi of Borno; etc, These would make our youth proud of such predecessors, and instill in them the pride of a nation they call theirs.

Besides migration targeted at relevant sectors in developed countries can rather be a blessing to the developing countries. Hence the migrant has a target and with a bond from the sending country to achieve a particular goal after which he comes to affect the home country with the gains of the migration.

Conlclusion

With the current wave of globalization and dwindling national economies, it seems unthinkable that migration could be controlled. A rational approach could then be working out a synergy with the receiving countries to track the migrants so that their remittances could be tracked to affect the sending country's GNP. Migrants could be encouraged to form developmental associations for their home countries in which they could initiate projects that would create employment opportunities for the homeland. Remittance is one of the main sources of international financial resources, which sometimes exceed Foreign Direct Investment flows (FDI).

The substantial influence of migrant remittances to the economic growth and innovation of homeland economy can no longer be unrecognized in the modern world. This is because of the importance of remittance since earlier decades, which have not only contributed to growth in positive direction, but these inflows have also shown much greater economic stability than other private capital inflows and development aids. The government and his authorities need to provide sound enlightenment packages to migrants and their homes to strengthen the productive use of remittances for commercial enterprises. Government partners and developmental agencies should plan ways to assist migrants in their economic activities and encourage them to continue sending remittances to their places of origin. The government should encourage and motivate migrants to send remittances through controlled formal channels so that remittance inflows can be accountable and also used for commercial investments that help improve economic growth.

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