

The impact of international migration economics flashcard



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Contents

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Several migration surveys point to the fact that people by and large have a characteristic to travel from one country to another (Migration study, 2002) . But each of these motions is backed by a strong motivation, particularly if it is intended for long term intents. In this respect, occupants from poorer states tend to travel to richer states in hunt of better support (World bank 2006 ; Migration study 2002 ; Castles and Miller 2003/2009 ; Adepoju 2008 ; Hernandez-Coss & A ; Bun 2007) . Remittances have been identified as one of the major returns of international migration. Remittances stands for the sending of economic and societal resources from host states of migrators to their place states of beginning (Messina and Lahav 2006 ; Adepoju 2008 ; Hernandez-Coss & A ; Bun 2007 ; World bank 2006) . Nigeria has besides been identified as one of the major remittal having states in the universe in general and Africa in peculiar (Hernandez-Coss & A ; Bun 2007) . In this survey, I seek to research international migration with regard to the impact of remittals on the place state. My instance survey will be Nigeria, and my theoretical foundation will be the neo-classical theory by Massey et al 2006.

1. 1 Introduction

Migration remains an highly old phenomenon and several writers point to the fact that early migrators displaced themselves on long distance motions for hunting, fishing and to supply nutrient for their places (Lahav & A ; Messina, 2006 ; Adepoju 1995) . Furthermore, the European enlargement of the

sixteenth century besides greatly contributed to migration due to the changeless warfare, captivity and exile of conquered people and districts. Besides, the colonisation of Africa in the nineteenth century gave rise to assorted signifiers of migration. Peoples moved in hunt of better chances, to get away from poorness, struggle or environmental debasement (Castles and Miller 2009 ; Adepoju 1995) .

In Africa as a whole, several types of migration could be identified. The first is rural-urban migration, standing for the motion of people from the suburbs to major metropoliss in hunt for better chances ; rural-rural migration, which refers to the motion of people from one rural country to another rural community for agriculture, other supports or to get away persecution ; besides there is urban-rural migration, which is the motion of people from the urban Centres back to rural communities for assorted grounds ; and eventually international migration, which stands for motions across boundary lines (Amin 1995, P. 30) . International migration is defined by Lahav and Messina as “ the motion of individuals across national boundary lines for intents other than travel or short-run abode ” (2006, P. 9) . My major country of focal point in this paper will be international migration and my instance will be Nigeria, with a particular expression at remittal and its impact on the state.

1. 2 Problem and purpose of research

There exist a two sided position on international migration and remittals. While some hold that international migration and remittals is a commendable enterprise and greatly impacts on family and socio-economic

development of place provinces, other positions hold that international migration is non every bit good as it might look, as the place state still faces some negative impacts from of the out-migration of its citizens. The job is where to happen a balance between this ‘ two sided positions ’ of the same coin.

In this paper, I seek to research the impact of international migration, utilizing the instance of Nigeria to unknot the extent to which migratory remittals could be utile in the family and for socio-economic development. To carry through this undertaking, I will utilize the undermentioned research inquiry as a chief usher:

Research inquiry:

How can we understand the impact of international migration and migratory remittals to Nigeria?

1. 3 Outline of survey:

I began this paper by presenting the subject of migration, with international migration as my chief focal point. I went in front to supply my job country, purpose of survey and research inquiry. Following this will be a background to my survey in order to show my Nigerian instance. After this will be my conceptual and theoretical model. In this subdivision, I will be utilizing the neo-classical theory. Following my theory will be tendencies in international migration for Nigeria in peculiar and Africa in general. After the tendencies, I will show ‘ the sided parts of the same coin ’ that is the positive part of international migration and remittals, and the negative impact on the

economic system as a whole. This will supply an sphere for me to reflect while reasoning my paper.

2. 1 Background of survey:

Besides being the most thickly settled state in the African part, Nigeria remains one of the largest receivers of remittals in the part every bit good. Nigeria is an oil bring forth state and besides a member of the “ Organisation of Petroleum Exporting Countries ” (OPEC) . But despite this, the state ‘ s economic state of affairs is still highly hapless. It has a high degree of poorness every bit good as a broad disparity of income between the rich and the hapless. Estimates besides point to the fact that by 2001 an approximated 70 per centum of Nigerians had life criterions below the international poorness line of one US dollar a twenty-four hours, and in that same twelvemonth Nigeria was 18th in the top 25 remittal having states in the universe (Hernandez-cos & A ; Bun 2007, P. 37-38)

Furthermore, the cardinal bank of Nigeria reported about 2. 26 billion US dollars came into the state as remittals, doing a per centum of 3. 15 of GDP for the state in 2004. Moreso, adding both the formal and informal beginnings of remittals, Nigeria could be said to hold “ about US \$ 5 billion as overall remittals ” (Hernandez-cos & A ; Bun 2007, P. 38) .

In footings of migratory finishs, Nigerians live about all over the Earth, but because they are English speech production, they largely prefer to migrate to English talking states such as the United States (US) , United Kingdom (UK) , Canada, merely to call a few. Statisticss have it that the largest bulk of Nigeria migrators are located in the US (about 55 % of entire migrators <https://assignbuster.com/the-impact-of-international-migration-economics-flashcard/>

abroad) , while another important figure is in the UK (about 10 %) . These two states really make up the largest “ remittal directing states to Nigeria, summing up an approximated figure of 65 % of entire international migrator remittal flows. Besides these English speech production states, other non English speech production states are going new attractive host finishes countries for Nigerian migrators such as Greece, Germany, Spain, Italy and the Netherlands (Hernandez-cos & A ; Bun 2007, P. 39-40)

3. 1 Conceptual and theoretical model.

The theory chosen for this paper is the neo-classical theory. At the macro degree, it states that international migration occurs as a consequence of geographical differences in both the supply and demand for labour. With the prevalence of a low market equilibrium pay for states holding a broad gift of labour relation to capital and a high market pay for those holding a small gift of labour relation to capital. These pay differences are a major push factor for citizens in low pay states to travel in hunt of work in states with high rewards. These motions will take to an about equilibrium state of affairs, with the labors supply diminishing while there will be a rise in rewards in hapless states, and in the terminal labor supply will increases and rewards will fall in rich capital states (Massey et al 2006, P. 36) . The push factor explained in the macro neo-classical theory firmly ties with the Nigerian instance which has low rewards and a high labor force. The macro degree of this theory is really important for my Nigerian instance as Nigeria is really populated, the possibilities for employment within the state are besides limited, coupled with poorness, corruptness and a pursuit for a better criterion of life

(Hernandez-cos & A ; Bun 2007, P. 39-40) . Therefore Nigeria has a low
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market equilibrium pay but a broad gift of labour capital, and with a low pay system citizens tend to be pulled towards developed states with a high market pay. Obviously, these high rewards abroad act as a pull factor for Nigerian migrators.

On the other manus, the micro neo-classical theory takes a personal rational point of position on the base point on migration. It indicates that the determination to migrate is single grounded on what they will accomplish in the host states. It states that this personal determination to travel is backed by a cost and benefit computation. And so “ a cost-benefit computation leads them to anticipate a positive net return, normally pecuniary from motion. International migration is conceptualized as a signifier of investing in human capital ” (Massey et al 2006, P. 37) . This theory clearly ties with my Nigerian instance as I am traveling to exemplify in this paper. The determination to travel is non forced or based on political persecution by Nigerian migrators, instead it is based on the want to achieve wealth, better their criterion of life, and those of their households back place. This determination is sorely taken by the person and in most cases supported by household members, who besides hope to derive from this move.

4. 1 Tendencies for international migration in Nigeria:

One major cardinal feature of persons is their love for going from one finish or another (International migration study 2002) . Nigerians are a good illustration of people that entirely embrace this characteristic non merely as a avocation but besides for some of the grounds mentioned in the background of this survey.

Television and video movies became popular in Nigeria by late seventies. Many immature people and their households watched telecasting in groups and discuss about the life styles of people watched on the telecasting. They assumed that the same state of affairs in those states where most of the programmes on the Television and Video movies came from were the best. The states peculiarly marked were USA and UK because the Television programme and picture movies were in the English linguistic communication and the people could understand and read derive some significance from what happened on the peculiar programmes or movies. The immature 1s became progressively cognizant through what they watched on the telecasting that people lived better lives someplace else other than Nigeria and Africa. The end will be to work hard and salvage adequate money in order to migrate to USA or UK with the hope to win and come back and assist the household to populate the sort of life they see on the telecasting. Therefore, besides poorness and dilapidating economic state of affairss, the media played a major function for Nigerians to migrate (Hatton et al. , 2003 ; Baker & A ; Akin, 1995 ; Messina & A ; Lahav, 2006 ; Castles & A ; Miller, 2009) .

Furthermore, the desire for people to migrate internationally from Nigeria was fuelled by the success of those who migrated to Europe and USA between late sixties, 70s and early 80s. Most of them were immature work forces and adult females ; they went for farther surveies in Europe and North America and elsewhere. After finishing their surveies they returned back to Nigeria and were offered employment in both public and private sectors. Each of them occupied outstanding places in their topographic points of work

and their rewards were considered to be of a sensible value. By so the Nigerian currency was on a 1: 1 in exchange to US dollars in 80s, and GDP per capital was at its highest value, see table 1. The buying power of the Nigerian currency was highly high. As a consequence of this, most Nigerian pupils were acute to return to Nigeria instantly after their surveies to take up employment. Another major facet was that unemployment rate was low, doing it easy for alumnuss to easy procure employed earned adequate money and had better criterions of life in Nigeria. The unemployment rate as at 1976 in Nigeria was 4. 3 % and in 1980 it was 6. 4 % , and taking into consideration that this is an African developing state, these Numbersss were really encouraging (Akinyemi 2004, P. 10) .

Table-1: Nigeria International Migration motion from 1960 to 2010.[1]

Beginning: Human Development Index (UNDP Report, 2009)

Old ages

1960

1990

2005

2010

International migration

94, 100

447, 400

972, 100

1, 127, 700

Annual rate of growing in international migrator stocks (%) ,

—

—

5. 2

—

International migrators as a per centum of entire population,

0. 2

—

0. 7

—

Female portion of international migratory stocks (%) ,

36. 2

—

46. 5

Table: 1 Shows Nigeria International migrations motions from 1960 to 2010 covering Africa, Asia, Europe, North America and Middle East. As at 1960 the figure of international migrators from Nigeria was 94, 100. However by 1990

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onward the figure increased greatly from 94100 to 447, 400, standing at 475 % . Reasons advanced for this was the debut of Structural Adjustment programme in 1986, one of Neoliberal policy of market reform (Allen et al. , 2000: 10) . The Nigerian currency (Naira) was besides devalued, accompanied by the denationalization of authorities owned endeavors. The economic system was greatly affected by these policies. There were monolithic occupation lossingss, unemployment and rising prices. The immediate effect was that Nigerian pupils already analyzing overseas refused to return place after their graduation as earlier and alternatively sought employment in their host states. Alumnuss within the state searched for occupations without success.

Everyone became tired and defeated, and evidently came to the decision that merely outside employment could salve their state of affairs. In this circumstance we note here that push factors included the dilapidating conditions back place, while pull factors were the better life manners seen on telecasting and the desire to hold better criterions as those seen on Television (Castles and Miller 2003, P. 22) ; Many Nigerian households where thrown off balance and needed a self-praise in their economic state of affairs (Akinyemi, 2004 ; Nwajiuba 2005) . Unemployment and poorness within the household circle led to corporate determination doing on who is to migrate from the household. Merely as the new economic theory, a migrator ' s determination to migrate is non done in isolation but it is a corporate action (Stark & A ; Bloom 1985, in Massey et al. 2006, P. 38-39) .

As citizens went abroad without returning, the migratory population tripled, those who returned to the state were merely those whose parents occupied

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top authorities places or had a comfy place in the private sector of the state. The general believe was that those who were extremely placed could utilize their contacts to procure occupations for their household members that return from abroad, but those who were hapless and unconnected could non easy or truly procure a good occupation back place. Obviously, a big bulk of Nigerians remained abroad to execute largely unskilled occupations and gain a life in order to be able to remit money to their destitute households back place. The Nigerian currency was besides weakened by devaluation, and the spread between the rewards of those who worked in Nigeria and those who worked abroad induced more people to seek for employment elsewhere (Adepoju 2008) . This spread in rewards was a major factor because Nigeria has an copiousness of labor but a low capital merely every bit explained in the neoclassical theory (Messina & A ; Lahav 2006, P. 36-37) . International migration climbed to enter high in 2005 at six figures 972, 100 stand foring 1033 % addition from what was in 1960. More so, as the old ages passed by and the economic system was non acquiring any better, other factors such as drug trafficking, human trafficking came to play a important function in act uponing international migration in Nigeria, and by 2010 Nigeria ' s international migration figures reached its extremum at 1. 1277million migrators stand foring 1, 198. 4 % addition from what it was in 1960 (Negerian in-migration statistics, September 2010)

5. 1 Positive impact of international migration and remittals on Nigeria.

Palaces and Miller seek to unravel replies on whether “ migration encourage development of states of beginning, or impede such development of the states of beginning, or impede such development? ” Their major point of <https://assignbuster.com/the-impact-of-international-migration-economics-flashcard/>

focal point is “ whether the additions from remittals would outweigh the possible losings from going of active workers, particularly those with accomplishments: the encephalon drain (Castles and Miller 2003 ; Newland 2003 in Castles and Miller 2009, P. 57-58) . And utilizing this I seek to understand whether the international migration of Nigerians has a positive impact to both the households of migrators (Poverty relief) and the economic system as a whole (An addition in GDP) .

Migration and development has been at the cardinal focal point of conferences at the United Nations and World Bank, taking to the planetary forum of migration that met in Brussels in 2007 and Manila in 2008 (Castles and Miller 2009, P. 28) . In several developing states, merely like Nigeria, migrators are “ heroes of development ” , particularly as remittals grow in figures in the sending states (Ibid 2009, P. 58) . Merely as mentioned above remittals into Nigeria has doubled over the old ages, and taking the high unemployment state of affairs in the state into consideration, it is obvious that migrators are more and more going heroes of development, as they do n’t merely relieve their households from poorness, but the money sent could besides be invested into little concerns that would decidedly lend to the overall state ‘ s GDP.

Another major thought is the fact that remittals have bit by bit turn to be “ a new development mantra ” (Kapur 2004 in Castles and Miller 2009, P. 58) . Migrant remittals have been utile in advancing “ local regional and national development ” where official assistance plans have failed ” . Some other outstanding points brought frontward are as follows:

Migrant remittals can hold a major positive impact on the economic development of states of beginning.

Migrants besides transfer place accomplishments and attitudes known as ‘ social remittances’-which supports development.

‘ Brain drain ‘ is being replaced by ‘ brain circulation ‘ which benefits both directing and having states.

Temporary (or handbill) labour migration can excite development.

Migration Diaspora can be a powerful force for development, through transportation of resources and thoughts.

Economic development will cut down out migration.

(Castles and Miller 2009, P. 58)

Furthermore, “ migration represents one of import demographic response to conditions and poorness and environmental emphasis in Africa ” . No affair the type of individuals, their motion is instrumental in poorness alleviation and emphasis (Krokfors 1995, P. 54) . Taking into consideration the emphasis 1 goes through when he/she is hapless and unable to run into up with basic demands, it is obvious that migration will be really instrumental in alleviating most Nigerian migrators from the emphasis of the economic jobs back place.

The position of possible additions of international migration is shared by the World bank 2006. It states that “ international migration can bring forth

significant public assistance additions for migrators, their states of beginning and the states to which they migrate " (2006, P. 25) . This point is interesting because it gives a image of a bipartisan addition. When Nigerians migrate they do n't merely help their households ' , public assistance wise, but they besides pay revenue enhancements to their host states and contribute to touting the labour force in their host states.

The remittals that are sent back place are going an highly important economic factor in developing economic systems such as Nigeria. An estimation from the United Nations Development Programme points to the fact that approximately 8 % of the universe ' s population receive remittals. With hapless income of families, it has a positive consequence on poorness decrease (Castles and Miller 2009, P. 59) Taking into consideration the population of Nigeria and the hapless economic conditions in the state, remittals are about inevitable in constructing the economic system.

5. 2 Negative impact of international migration and remittals on Nigeria.

One of the chief identified negative impacts of international migration is ' brain drain ' (Castles and Miller 2003 ; 2009 ; World Bank 2006 ; Adepaju 2008) . The loss of skilled forces by developing states to developed states leads to what is called a " encephalon drain " . This loss is " peculiarly serious for states with really low densenesss of skilled medical forces relative to population (Castles and Miller 2009, P. 64) . If we take into consideration the population of Nigeria, with regard to the skilled medical forces, so Nigeria is a chief victim to this peculiar point of encephalon drain. More so, the motion of human capital from hapless to rich states are non merely as a

consequence of employment but through the “ academic gate ” . The loss of qualified forces is capable of taking the states into stagnancy (Ibid 2009, P. 67) .

Besides, Gould 1995 states that “ the relationship between migration and development involves a bipartisan automatic interaction ” (1995, P. 122) .

In this respects, it means while migration has an consequence on development, development besides has an consequence on migration.

Taking my Nigerian instance, as people move out of Nigeria, it affects the immediate development of the state, due to loss of adult male power and skilled cognition. And as they move to foreign entities, it besides affects their countries of entry, as it increases the population of their host states, and consumes some allocated resources of these states that are meant for everyone life in the state. In other words, though migrators might lend to development in the long tally, this averment is non certain, but what is certain is that they affect development negatively in the short-run (Borjas 2009, P. 320) .

Furthermore, “ the empirical challenge in placing the causal consequence of remittals on investing is that remittals are likely to be correlated with the extent of chances for investing ” (World Bank 2006, P. 126) . In this appraisal, with low income families and the absence of investing chances, remittals will chiefly be used for family ingestion. In a state like Nigeria where most household live below the poorness line and investment will intend utilizing big amounts of money to put up an sanctioned concern, remittals will play small or no positive function in investing.

Besides, the determination to migrate is about frequently really dearly-won and even hazardous for a hapless African citizen in a state like Nigeria. The outlook is frequently that migrators will do wealth, relief their households from poorness and return place with celebrity and regard. This expensive venture is termed “ by economic experts as the net present value of lifetime net incomes ” (World bank 2006) . But this is non ever every bit smooth as expected, go forthin place is no confidence of procuring a occupation within a period of clip, and in some fortunes they leave debts back place which might set the migrator on really nerve-racking state of affairss abroad and can even force the migrator to perpetrating offenses in his pursuit for money (World bank 2006 ; Gould 1995 ; Lahav and Messina 2006)

6. 1 Decision

In this paper I have attempted to analyze the Nigerian instance within the context of the impact of international migration and remittals. Nigeria remains a fertile instance in this country of research as many books and articles have been written on the Nigerian remittal instance. Within the context of this paper I have tried to see the two sides of the same coin: could the benefits of remittals far outweigh the negative effects of international migration? This inquiry depends on how and what we are seeking for. By my research findings in this paper, poorness, unemployment, low rewards, merely to call a few make international migration the best option for citizens in Nigeria who are non connected or do n’t come from a affluent household. Therefore by this the benefits of international migration and remittals can be said to far outweigh its negative impacts as people will be prepared to give their lives merely to procure a better criterion of life. And merely as the <https://assignbuster.com/the-impact-of-international-migration-economics-flashcard/>

stating ' a submerging adult male will cleaving to snake for endurance ' , so excessively will Nigerians thin to international migration and remittals for poorness alleviation.

Now seeking to understand the impact of international migration and remittals on Nigeria, I used the neo-classical theory to seek an apprehension into the field of international migration and the Nigerian context. What was clear was that foremost, there exist the labour push factors to developed states because of higher rewards, better employment and a better criterion of life, while pull factors attract these migrators to these developed states to alter their life styles. Second, their determination to migrate remains really rational. A cost-benefit analysis comes into drama, in this respect they weigh the state of affairs back place, hazards involved in going and make up one's mind to take the move, and for Nigerians it is believed that it evidently pays away. Finally, remittals are of a big benefit to developing states in general and Nigeria in peculiar and its impact in this visible radiation can non be over emphatic, it has greatly contributed to socio-economic development, and the nutriment of several hapless families.