International Remittances, Poverty and Inequality: The West Africa Case

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International Development Research Centre (IDRC)
West and Central Africa Regional Office (WARO)
Email: fmbiekop@idrc.ca; Cc: emampassi@idrc.ca

By:

Centre for Demographic and Allied Research (CDAR)
Department of Economics,
University of Nigeria, Nsukka,
Enugu State, Nigeria
www. cdarng.org

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PREPARED BY:

Dr. William M. Fonta
Project Co-odinator, Centre for Demographic and Allied Research (CDAR)
Department of Economics, University of Nigeria, Nsukka (UNN),
Enugu State, Nigeria.
Tel: +2348035408395
Email: fontawilliam@gmail.com; fontawilliam@yahoo.com

And

Prof. Cletus C. Agu, CDAR, Department of Economics, UNN
Onyukwu, E. Onyukwu, CDAR, Department of Economics, UNN
Jude, O. Chukwu, CDAR, Department of Economics, UNN
Rev. (Fr.) Dr. Hyacinth Eme. Ichoku, CDAR, Department of Economics, UNN
Emmanuel E. Nwosu, CDAR, Department of Economics, UNN

Internal Reviewers

Prof. Apia E. Okorafor
Prof. N.I. Ikpeze
Prof. Ignatius I. Madu
Prof. Francis E. Onah

Abbreviations and Acronyms

AU	African Union
CBN	Central Bank of Nigeria
CIRES	Centre Ivoirien de Recherches Economiques et Sociales
CSOs	Civil Society Organizations
DMBs	Deposit Money Banks
ECOWAS	Economic Community of West African States
ETF	Electronic Fund Transfer
FDIs	Foreign Direct Investments
FGD	Focus Group Discussion
FGN	Federal Government of Nigeria
FGT	Foster-Greer-Thorbecke Poverty Decomposition Index
FMLP	Federal Ministry of Labour and Productivity
GDP	Gross Domestic Product
GEM	Generalized Entropy Inequality
GSM	Global System for Mobile telecommunication
IDRC	International Development Research Centre
IIAS	International Institute for Advanced Study , Accra, Ghana
ILMD	International Labour Migration Desks
ILO	International Labour Organization
IOM	International Office of Migration
LACs	Latin American Countries
LDCs	Least Developed Countries
LGAs	Local Government Areas
MDAs	Ministries, Agencies and Departments
MG	Money Gram
MTOs	Money Transfer Operators
NAPTIP	National Agency for the Prohibition of Traffic in Persons & other Related Matters
NBS	National Bureau of Statistics
NCFR	National Commission on Refugees
NEEDS	National Economic and Empowerment Development Strategy
NELM	New Economics of Labour Migration
NEMA	National Emergency Management Agency
NEPAD	New Partnership for Africa's Development
NGOs	Non-Governmental Organizations
NIA	Nigerian Immigration Act
NIS	Nigeria Immigration Services
NLSS	National Living Standard Survey
NNPC	Nigeria's National Planning Commission
NNPM	Nigeria's National Policy on Migration (Draft)
NPC	National Population Commission
ODA	Official Development Assistance
PC	Population Commission

PSM	Propensity Score Matching Technique
SGF	Secretary to the Government of the Federation
SPC	Sector Planning Committee
SSA	Sub-Saharan Africa
UN	United Nations
USD	United States Dollars
WU	Western Union

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Executive Summary

Nigeria is one of the top destination countries for remittances inflow. In 2003, total international remittances inflow to Nigeria stood at a little over US$1 billion. However, since the mid-2000s, remittances into Nigeria are now a significant source of external finance. Data compiled by Migration and Remittances Factbook 2011, indicate that total remittances inflow to Nigeria since 2007, has remained over US$9 billion. More specifically, the data showed that in 2007, 2008, 2009 and 2010, the total remittances inflow to Nigeria were respectively US$9.2, US$9.9, US$9.6 and US$9.9 billion dollars. Additionally, the Factbook shows that the stock of Nigerian emigrants stood at over 1 million and the stock of emigrants as a percentage of the population stood at about 0.6%.

However, very little is still known about the remittances environment in Nigeria as well as how significantly these large inflows contribute to household welfare. Macro level evidences abound in Nigeria however; household characteristics as well as the characteristics of the migrant which include altruistic and self-interested motives may play significant roles in the determination of remittance inflows. Introducing a greater understanding of the poverty and income redistributive effects of these large inflows into Nigeria is central to any attempt to minimize the negative effects of migration, while optimizing its development potentials in the country. Thus, the specific research objectives of the study with the overriding aim of providing policy-relevant outcome were: (i) to analyse and promote better understanding of current migration policies and remittances regulatory regimes in Nigeria; (ii) to assess the end use of remittances by households in Nigeria; (iii) to assess the poverty and distributional implications of out-migration and remittances inflow in Nigeria; (iv) to analyse the microeconomic determinants of migrant remittances to Nigerian households; (v) to inform policy reviews by discussing results with key stakeholders such as public policy makers, civil society organizations as well as the scientific community via policy briefing, workshops, conferences; and, (vi) to strengthen the capacity of researchers and stakeholders in the region in analysing critical issues that impact on out-migration and remittances flow.

The empirical findings indicate firstly that, although a Draft 'National Policy on Migration' exits for Nigeria to guide migration decisions, it has not been approved by the Federal Executive Council and then the National Assembly. When approved it is envisaged that an agency for Migration, Refugees and Internally Displaced Persons will be responsible for implementing the policy and coordinating its activities with line ministries and other relevant bodies. Furthermore, the analysis of the stakeholders' viewpoints on migration issues in Nigeria, revealed that Nigeria has ratified many international protocols and conventions guiding migration decisions such as: the African Charter on Human and Peoples Rights ratified 23/06/1982; UN Convention against Trans-National Organized Crime ratified 29/03/2001; Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children ratified 20/04/2001; African Charter on the Rights and Welfare of the Child 23/07/2001; Protocol Against the Smuggling of Migrants by Land, Sea and Air ratified 23/07/2001; Discrimination (Employment and Occupation) Convention No. 111 of 1958 ratified 23/08/2002; International Labour Organization Convention No. 146 of 1976 concerning annual leave with pay for seafarers ratified 19/12/2003 and Convention concerning the prohibition and immediate Action for the Elimination of the worst forms of Child Labour ratified 31/12/2001.

Secondly, in assessing remittances usage in Nigeria, a survey of 697 remittance recipients at Western Union and Money Gram facilities were sampled alongside 450 remittances recipient and non-recipient households in the South Eastern region of Nigeria. Results of the exit survey revealed that siblings accounted for over 42.7% of total remitters to Nigerian households followed by close relatives that accounted for over 11.4%. Further, it was found that remittances into this region were mainly driven by altruism and self-interest. For instance, remittances expenditure on household consumption accounted for over 49% so also was remittances expenditure on building project and business that accounted for over 19% and 17% of total remittances usage in the region. This was consistent with the results obtained from the household survey in the same region. However, it was observed that remittances originating from within Africa were more altruistic driven than those originating from outside Africa, which were rather driven by self-interest. For example, remittance expenditure from within Africa on household consumption, education and health ranked top in terms of usage, while remittance expenditure from outside Africa on building project and marriage ranked top in terms of household usage. Furthermore, the results of the household survey analysis revealed that households that received remittances, on the average, spend more in all expenditure categories relative to households that did not receive. For example, the consumption expenditure for the recipients is on the average N137,312.9 or USD915 as against N104,184.1 or USD694.6. This invariably implies that remittances receipt improves household welfare.

Thirdly, using poverty and Gini decomposition techniques based on the Nigerian 2004 National Living Standard Survey (NLSS), the study found that when remittances were treated as a simple exogenous transfer of income by migrants to households using the FGT poverty decomposable index, household poverty declined across all the geopolitical zones and by sex and locality. For example, with remittances, household poverty fell from 0.35 to 0.30 in the Southsouth region, 0.27 to 0.22 in the Southeast region, 0.43 to 0.36 in the Southwest region. Poverty also declined from 0.67 to 0.60 in the Northcentral region, 0.72 to 0.66 in the Northeast region, and from 0.71 to 0.66 in the Northwest region. However, the effect of remittances on poverty was found to be larger in the Southwest region than in the Southeast and Southsouth regions.

Similarly, when remittances were treated as a potential substitute for domestic (home) earnings using the Propensity Score Matching (PSM) technique, surprisingly, we did not found evidence of significant impact of remittances on per capital expenditure, though households that receive remittances spend more on per capita consumption, health expenditure and on food. Also, recipients of remittances had lower poverty compared to similar households that did not received remittances but the difference is not statistically significant. Also, results from the 2-stage Multinomial Logit Model (MNL) that examined the determinants of household per capita and total expenditure with remittances as one of the explanatory variables suggested that remittances have a positive but no significant impact on household per capita expenditure. However, the impact was positive and significant on household total expenditure. Modeling the factors that account for households' recipient of remittances, we found that household expenditure, mother and father living and place of residence (urban or rural) were the significant determinants at least at the household level. Conversely, in the inequality experiment using the Gini decomposable technique, the study found that increase in remittances reduced income inequality more in urban areas (0.1) than in rural areas (0.02). For example, a 10%

increase in remittances other things being equal, was associated with declines in the Gini coefficients of total income inequality of 0.02% in rural area and 0.1% in the urban area. The main policy message of the findings is that remittances should be encouraged and policy actions that lower the transaction costs, which attract additional flows, should be encouraged especially for countries like Nigeria where poverty rates and income disparity are very high. However, for remittances to be an effective poverty and income redistributive tool in Nigeria, the FGN needs to improve the remittance environment in the country. This could be facilitated by formalizing and enacting into law the new draft 'National Migration Policy', which is the overall platform of remittance regulation in Nigeria. Also, the remittance environment could be improved by enforcing the Central Bank of Nigeria (CBN) circulars BSD/DIR/CIR/GEN/VOL.2/017 of 20 November 2008 and BSD/DO/CIR/GEN/V.2/012 of 17 December 2008 that articulated general guidelines on electronic banking including remittances to all 'Deposit Money Banks' (DMBs) and International Money Transfer (IMT) operators in Nigeria. Finally, the formal remittance flow channels can be made more enabling to senders by; encouraging formal migrations, advocating for national identity card to be accepted from diaspora Nigerians, developing variety of E-transfer products, and inducing Nigerian banks to open offshore branches in areas of high Nigerian diaspora so as to reduce transfer costs. Similarly, MTOs can be made more efficient by reducing the current costs of making remittances to Nigeria through; (i) developing a comprehensive regulation to guide the money transfer operators (MTOs), (ii) integrating informal transfer organizations into the formal system, and (iii) supporting market access of domestic banks into corridors of high concentration of Nigerian diaspora etc.

XII. CONTEXT AND JUSTIFICATION

West Africa (WA) has a long history of population movement especially for countries like Nigeria, Ghana and Ivory Coast. For Nigeria, its history of migration dates back to the colonial era and can be grouped into three major phases namely; the pre-independence era, the post-oil boom era, and the post 1990 era (Adepoju, 2004 and De Haas, 2006). The same can be said for Cote d'Ivoirewith the three phases consisting mainly of the pre-colonial period, the colonial period, and the post-independence period (Konan et al. 2009). For Ghana, its emigration trend started after 1965 and was sustained by continued economic downturn throughout the 1970s until the mid-1980s; the mass emigration led to the establishment of a diaspora that spans Europe, North America, the Middle East and Asia (Higazi, 2005). The reasons for migration flows in these countries vary in relevance over the years. These have been largely educational, political, religious, economic and climatic in nature, but have also included refugee movements and human trafficking (Ibeanu, 1999; DfID, 2004; Carling, 2005 and Hernandez- Coss et al., 2006).

Remittance is one of the most important outcomes of migration. The International Monetary Fund (IMF) splits remittances into three categories namely: **workers' remittances**, from workers who have lived abroad for more than one year; **compensation of employees** or labour income, including wages and other compensation received by migrants who have lived abroad for less than one year; and **migrants' transfers**, the net worth of migrants who move from one country to another. It is now believed that migrants' remittances into the West African region of Nigeria, Ghana and Ivory Coast, exceed Foreign Direct Investments and Official Development Assistance (Retha et al., 2011). The importance of these large inflows is evidenced by the proliferation of money transfer institutions (both formal and informal) and the rapid growth in the volume of migrant remittances to these countries. It has been argued that migrant remittances are becoming a potential source of foreign exchange and its magnitude exceeds the amount of ODA to Ghana (Quartey, 2006). As at 2008, total remittances into Ghana stood at US$1.9 billion (Bank of Ghana, 2009). Similarly, that of Cote d'Ivoirein 2007 was estimated to be over US$179 million dollars (Migration and Remittances Factbook, 2008). For Nigeria, data compiled by Migration and Remittances Factbook (2011), indicate that total remittances inflow to Nigeria since 2007, has remained over US$9 billion. More specifically, the data (Table 1) showed that in 2007, 2008, 2009 and 2010, the total remittances inflow to Nigeria was respectively US$9.2, US$9.9, US$9.6 and US$9.9 billion dollars. Additionally, the Factbook shows that the stock of Nigerian emigrants stood at over 1 million and the stock of emigrants as a percentage of the population stood at about 0.6%. Furthermore, the Factbook suggests that the top destination countries for Nigerian migrants are the United States, the United Kingdom, Chad, Cameroon, Italy, Benin, Côte d'Ivoire, Spain, Sudan, and Niger respectively (Migration and Remittances Factbook, 2011).

Table 1: Diaspora Remittances in US$: Top Recipients Countries (2006 -2010)

Country	Rem. 2006	Rem. 2007	Rem. 2008	Rem. 2009	Country	Rem. 2010
India	$26.9 billion	$27 billion	$45 billion	$55.1 billion	India	$55 billion
China	$22.52 billion	$25.7 billion	$40.5 billion	NA	China	$51.0 billion
Philippines	$12.7 billion	$14.4 billion	$16.4 billion	$17.3 billion	Mexico	$22.6 billion
Mexico	$25.6 billion	$26.1 billion	$25.1 billion	$21.2 billion	Philippines	$21.3 billion
Poland	$8.5 billion	$12.5 billion	$13.6 billion	NA	France	$15.9 billion
Bangladesh	$5.5 billion	$6.6 billion	$9.0 billion	$10.7 billion	Germany	$11.6 billion
Pakistan	$5.1 billion	$6.0 billion	$7.0 billion	$8.7 billion	Bangladesh	$11.1 billion
Morocco	$5.1 billion	$5.7 billion	$6.9 billion	$8.0 billion	Belgium	$10.4 billion
Vietnam	NA	NA	$7.2 billion	$6.8 billion	Spain	$10.2 billion
Nigeria	*$5.4 billion*	*$9.2 billion*	*$9.9 billion*	*$9.58 billion*	*Nigeria*	*$10.0 billion*

Sources: World Bank's Migration and Remittances Factbook (2011)

Understanding the poverty and income redistributive effects of these large inflows into the sub-region of WA as a whole is central to any attempt to minimize the negative effects of migration, while optimizing its development potentials in the region. While a number of studies have done so for several Latin America and Asia countries [Acosta et al., 2006a & 2006b, 2007a & 2007b, 2008a, 2008b & 2008c; Fajnzylber & López, 2007 & 2008; Phillips, 2009 for Latin America; Lokshin et al., 2007 for Nepal; Adams for Guatemala 2004; Taylor et al. 2005 for Mexico; Rodriguez, 1996; Yang and Martinez, 2005; Alba and Sugui, 2011 for the Philippines; CEMLA, 2009 for El Salvador; Glytsos, 2002 for the Mediterranean countries, Mughal, 2012 & Mughal and Anwar, 2012 for Pakistan, .etc.,] and found that remittances have great potentials in reducing both poverty and income inequality as well as, improving growth in Latin America, relatively very few studies have tried to evaluate the impacts of remittances on the economy of the West Africa where poverty rates are among the highest in the world. Of the few studies that have done so in West Africa, the focus have been on a country specific basis[1] with little or no regional-based evidence to facilitate regional migration policies as the case with Latin America.

ECOWAS (i.e., the Economic Community of West African States), for the past 35 years, has been very instrumental in promoting regional migration policies in West Africa. These includes: ECOWAS Convention A/P1/8/94 on extradition signed in Abuja on 6 August 1994 to fast track the effective use of the ECOWAS travel certificate, the adoption and introduction of a single ECOWAS passport, and adoption and introduction of a Multicountry-Shengen-type Visa; ECOWAS April 2000 head of states agreement to foster free movement of goods and persons across the borders of ECOWAS member countries and the abolition of the mandatory residency permit and the granting of the maximum 90-day period of stay to ECOWAS citizens by immigration officials at entry points; the October 2000 West African regional ministerial meeting held in Dakar on the participation of migrants in the development of their country of origin; and, the March 2000 ECOWAS heads of State and Government meeting in Abuja to emphasize the creation of a

[1] These include Litchfield and Waddington (2003), Addison (2004), Quartey (2006), Higazi (2005) and Adams et al. (2008) for Ghana; Osili (2004), de Haas (2006) Orozco and Bryanna (2007), Chukwuone et al. (2008), Agu (2009), Fonta et al. (2011), and Olowa and Awoyemi (2012) for Nigeria; and, Konan (2008, 2009a & 2009b) and Konan et al., (2009) for Ivory Coast etc.

borderless sub-region and the fostering of regional infrastructure development to enhance economic integration amongst others etc.

However, the ECOWAS October 2000 regional ministerial meeting amongst other ECOWAS Protocols etc, to foster participation of migrants in the development of their country of origin has been greatly impeded by the lack of systematic, comprehensive and rigorous research on migration dynamics and development impacts in the region (Adepoju, 2005 and de Haas, 2006). Even when such research information exists, it is on country specific basis with very limited scope for regional-based policy inferences. The aim of this study is to help fill this knowledge gap by providing new policy insights on the impacts of international remittances on national development in the West African region. Some of the core research questions to guide the study are:

- *What is the profile of West African migrants and remittances recipients?*
- *How do these flows affect poverty and inequality in the region?*
- *Do remittances contribute to higher investment and faster growth, or are they mainly directed towards consumption?*
- *What are the immediate end uses of remittances?*
- *Are remittances earmarked for specific purposes?*
- *What kinds of policy initiatives are available for promoting and facilitating remittance flows within the West African region?*
- *What are some of the challenges faced by policy makers in order to make the best of remittances flows and enhance their developing impact in the region?*
- *What changes in the regulatory environment are needed in order to minimize transaction costs in remittances transfers while maintaining system security in West Africa?*

This study attempts to provide answers to these core questions using Nigeria (the most populated nation in West Africa); Ghana (with rich migration data-base) and Cote d'Ivoire (a Francophone African country). These issues are studied based on conceptual frameworks drawn from economics, demography, history, sociology and anthropology. The study draws extensively from rich large household datasets and official national statistics [e.g., **National Living Standard Survey (NLSS)]**, supplemented with qualitative data in the respective countries. This is justified because despite the ever-increasing size of international remittances, little attention has been paid to examining the economic impact of these transfers on households in the developing countries in general (Adams, 2005). In fact, the impacts of remittances on most West African nations' financial systems, the domestic economies and migrants' sending areas, household education, household health status and health seeking behaviors, growth, poverty and income redistributive effects across the region, are not well known. For example, remittances may have a domestic multiplier effect especially for the migrants' sending areas, alter patterns of household expenditure and investment or even affect household production decisions.

This study, therefore, builds on earlier published and unpublished works of (Ratha, 2005; Orozco, 2006; Quartey, 2006; de Hass, 2006; Orozco and Millis, 2007; Akyeampong, 2000 & 2007; Adams et. al., 2008; Chukwuone et al., 2008; Cuecuecha and Page, 2008; Konan, 2008 and 2009a, 2009b; Konan et al., 2009) in the three countries. The broad objective was to analyse the impact of international remittances inflow on national development in West Africa using Nigeria, Ghana and Cote d'Ivoireas empirical case studies. The specific research objectives with an overriding aim of providing policy-relevant cum research evidence-based outcome are:

(1) to analyse and promote better understanding of current migration policies and remittances regulatory regimes in the region;

(2) to assess the end use of remittances by households in the region;

(3) to assess the poverty and distributional implications of out-migration and remittances inflow in Nigeria, and Cote d'Ivoire;

(4) to analyse the microeconomic determinants of migrant remittances to Nigerian households[2];

(5) to inform policy reviews by discussing results with key stakeholders such as public policy makers, civil society organizations as well as the scientific community via policy briefing, workshops, conferences etc; and,

(6) to strengthen the capacity of researchers and stakeholders in the region in analysing critical issues that impact on out-migration and remittances flow.

II. REMITTANCES, POVERTY AND INEQUALITY: GLOBAL EVIDENCE

Stark (1991) and Adams (1991) pioneered the effort to assemble household data that could rigorously shed light on the impact of remittances on household welfare. Although, their findings were limited by small sample size, the insights from these studies provided the basis for subsequent analysis in the area of migrants' remittances and national development. Among the first stream of researchers who attempted to rigorously shed light on the impact of remittances on household welfare were Adams (1989) who examined the distributional implications of workers remittances in rural Egypt, and finds that income inequality declined with increasing remittance inflows. However, contrary to Adams earlier finding, Adams (1998), Adams and Page (2003 and 2005), find a neutral effect on poverty and income inequality in the case of Pakistan and some selected LDCs. However, a re-assessment of the findings by Adams and Page (2003 & 2005) by Bertoli (2005), suggest that the results were specifically driven by poor quality data and the use of inappropriate econometric techniques.

Still at the country specific level, Adams (2004) also finds that remittances reduce the severity of poverty in Guatemala and also that, Guatemalan families who received remittances tend to spend a lower share of total income on food and other non-durable goods, and more on durable goods, housing, education and health. Taylor, Mora and Adams (2005) for Rural Mexico, find that international remittances account for a sizeable proportion of total per capita household income and that international remittances reduce

[2] Following comments and suggestions raised concerning the use of the 2004 NLSS during our project dissemination workshop in Abuja, Nigeria, we supplemented our analysis with a recent and richer household survey database by the World Bank (2009). Thus, we added a new object on the microeconomic determinants of migrant remittances to Nigerian households.

both the level and depth of poverty. In the case of the Philippines, Yang and Martinez (2005) find that remittances lead to reduction in poverty in migrants' origin households. For Somalia, Lidley, (2006) finds that remittances received by a substantial minority of Somalian city dwellers improve their economic status and access to education while, Faini (2006), finds that remittances have a positive impact on growth whereas, aid is negatively associated with growth for migrants' origin countries. Recent studies by Adams (2008) for Ghana, Chukwuone (2008) for Nigeria, and Konan (2009) for Cote d'Ivoire, indicate that remittances reduce both poverty and inequality. However, little or no emphasis was directed towards studying the microeconomic determinants of remittance inflows into these countries.

At the cross-country level, Adams and Page (2003) observed that for 74 low and middle-income developing countries, both international migration (the share of a country's population living abroad) and international remittances (the share of remittances in country GDP) have a strong and statistical impact on poverty reduction in the developing world. Specifically, the authors find that on the average; a 10 per cent increase in the share of international migrants in a country's population will lead to a 1.6 per cent decline in the poverty headcount. Similar results were obtained by the same authors studying the impact of remittances on national development for 71 developing countries (Adams and Page, 2004). It was also observed that a 10 per cent increase in per capita official international remittances in a developing country will lead to a 3.5 per cent decline in share of people living on less than one USD daily in that country. Still at the cross-national level, examining the impacts of international remittances on national development for 115 developing countries, Adams (2005) finds that international remittances increases the level of household income and reduces the level and depth of poverty in the developing world. The author further finds that remittance-receiving households consume and invest their remittance earnings and that households receiving international remittances spend less at the margin on consumption goods – like food – and more on investment items -- like education and housing. Also, households receiving remittances also have a higher likelihood of investing in entrepreneurial activities.

In Latin America, Acosta et al., (2007b); employed a large cross-country panel dataset for 10 Latin American Countries (LACs) to examine the welfare and growth effects of remittances to the region, and finds that remittances in LACs increases growth and reduces inequality and poverty. Still for the same region, Fajnzylber and López (2007) in *'Close to Home'*, find that, even though the estimated impact of remittances on poverty, inequality and growth for some LACs is moderate, country specific heterogeneity is still very significant and that higher remittances inflows in general, tend to be associated with lower poverty levels and improvements in human capital indicators (education and health) of the recipient countries. Also, the authors find out that remittances also seem to contribute to higher growth and investment rates as well as lower output volatility.

In sum, remittances should be encouraged and policy actions that lower the transaction costs, which attract additional flows, should be encouraged especially for regions of the world where poverty rates are the very high such as WA or SSA in general. This can only be possible through quantitative-based evidence on the exact impacts of remittance inflows on national development in the region. Also, knowledge of existing migration policy challenges faced by policy makers in the region as well as, some of the immediate policy responses needed to help minimize transaction costs in remittances transfer would support policy frameworks towards poverty reduction. These are some of the key issues that are to be addressed in the present study tapping a lift from the Latin American cross-country experiences. The use of qualitative data to supplement the analysis with a view to reviewing existing policies and regulatory regimes as well as suggest new policy dimensions constitute the basic departure of the study from previous ones. To promote better understanding of current migration policies and remittances regulatory regimes in the region, this study will analyse the contents of official national and regional documents (ECOWAS) and the viewpoints of key informants in dominant MTOs operating in each specific country.

III. ANALYTICAL METHODS

III.1 Evaluating Current Migration Policies and Stakeholders Viewpoints in Nigeria

To evaluate current migration policies and stakeholders viewpoints on migration in Nigeria, the study used two approaches. The first approach was based on a desk top review of: (a) policy and institutional arrangements that have bearing on international migration and remittance flows in Nigeria; and, (b) studies conducted so far on international migration and remittance flows in Nigeria. The review of policy and institutional arrangements covered not only national laws and regulations, but also bilateral and multilateral agreements that have provisions on international migration. In addition to government institutions, the review covered non-governmental organizations (NGOS) that provide services to migrants. The second approach was based on the conduct of 200 semi-structured interviews with key stakeholders (policy makers, business representatives, commercial banks, national embassies, relevant international and government agencies, community leader, religious bodies etc.,) regarding their opinions of the impacts of migration on national development for both sending and receiving countries, and on how policy might improve migration's developmental impacts.

III.2 Assessing the End Use of Remittances

In pursuit of this specific research objective, three different methodological approaches were adopted. The first approach was to work with Western Union and Money Gram services to determine the volume and direction of remittances in all three countries. This was accomplished through the use of exit surveys that were administered at financial institutions through which Western Union and Money Gram are received asking specific questions about relationship between sender and recipient, end use of remittances, characteristics of households of the receivers and non-receivers, relationships between sender and recipient. A total of 697 end-users of remittances were interviewed in three waves corresponding to the three phases of the study. The survey instrument (written questionnaire) was developed by the International Institute for the Advanced Study (IIAS), Accra, Ghana with technical inputs from the International Development Research Centre (IDRC) and the other two participating institutions of the IDRC funded project [i.e., the Centre for Demographic and Allied Research, Department of Economics, University of Nigeria, Nsukka and the Centre Ivoirien de Recherches Economiques et Sociales (CIRES), University of Cocody-Abidjan, Côte-d'Ivoire]. However, during the pre-inception conference hosted by CDAR on February 11, 2011, the survey instrument, was further reviewed and refined by experts from the Research and Statistics Department of the

Central Bank of Nigeria (CBN), Nigeria Bureau of Statistics, Deposit Money Banks, Civil Society Organizations (CSOs) working on migration (NOMRA) and other research institutes and Departments in the University of Nigeria. Critical suggestions and inputs were incorporated to further improve the quality of the instrument and to suite the Nigerian context.

The second approach involved the use of a regional focus group discussion (FGD) to further refine the survey instruments as well as to identify remittances and non-remittances households in specific regions of the three countries based on the volume of remittances as gleaned from Western Union and Money Gram statistics. Equally, migration statistics from the NLSS and other statistical databases provided amplifying evidence.

The final approach was the conduct of household interviews with remittances and non-remittances receiving households based on findings from the FGD. The prime questions of interest covered in the survey were to compare expenditures in households with and without international migrants to establish household differences in investment decision, health seeking behaviour, educational enrolment, migration network etc. The survey also explored gender segmentation in remittances inflows, options for improving informal remittance transactions, options for community migrants' associations etc. A total of 441 households were interviewed in two waves corresponding to the two phases of the study. The survey instrument (written questionnaire) was developed by CDAR and CIRES with technical inputs from the International Development Research Centre (IDRC) and IIAS. The questions were generally structured in manner similar to those of the General Living Standards Measurement Surveys containing modules for each specific aspect of interest (e.g. education, health, asset ownership etc).

III.3 Measuring the Impacts of Remittances on Poverty and Income Inequality

Remittances and Poverty

To analyse the poverty redistributive effects of workers remittances on household welfare in Nigeria, we treated remittances firstly, as a simple exogenous transfer of income by migrants, and secondly as a potential substitute for domestic (home) earnings. In the first case, the economic question of interest was how international remittances, in total or at the margin, affected the observed level of welfare and poverty in Nigeria. In the latter case, the economic question of interest was how the observed level of welfare and poverty in Nigeria compares to a counterfactual scenario without migration and remittances.

For the former approach (i.e., treating remittances as a simple exogenous transfer of income by migrants), the study employed three variants of the Foster-Greer-Thorbecke poverty index (FGT, 1984). It has some appealing properties over other poverty decomposable techniques in that, it is not only decomposable and sub-group consistent, but satisfies Sen (1976) axioms of transfer and monotonicity. That is, the index increases whenever a pure transfer is made from a poor person to someone with more income, and increases when there is a reduction in a poor person's income, holding other incomes constant. Following FGT (1984), the poverty index is given as:

$$P_\alpha = \frac{1}{n}\sum_{i=1}^{q}\left[\frac{z-y_i}{z}\right]^\alpha \qquad [1]$$
$$where\ \alpha \geq 0$$

where, $y = (y_1, y_2, ...y_n)$ represents the income vector of a population of n individuals with incomes sorted in increasing order of magnitude, z is the poverty line[3], q is the number of poor individuals, and α is a weighting parameter that can be viewed as a measure of poverty aversion. α ranges from 0 to 2 (i.e., 0 < α < 2) and when $\alpha = 0,$ the FGT index measures the poverty head count ratio (i.e., the percentage of poor in the population). Similarly, when $\alpha = 1,$ the FGT index measures the average poverty gap ratio or how far below the poverty line the average poor household's income falls. When $\alpha = 2,$ the FGT index measures the severity of poverty or the spread of the poor around the level of the average poor. FGT (1984) presents a decomposition of the poverty index by population subgroup, while Reardon and Taylor, (1996) proposed a simulation method to decompose the FGT poverty coefficient by income source. The study employed the later approach in the poverty simulation of the impact of remittances on poverty in Nigeria.

For the later (i.e., treating international remittances as a potential substitute for domestic earnings), a propensity score matching (PSM) technique was used in addition to a 2-stage Multinomial Logit Model (MNL). Generally, the estimation of the average treatment effect on the treated (ATT) based on the propensity score matching for with and without remittances was carried out based on the following procedures:

- Pooling of two groups of individuals, that is the treatment and comparison group of those who receive remittance and those who do not receive remittance. After the pooling, a Logit model of remittance receiving and non-remittance receiving as a function of some socio-economic variables was estimated. The variables selected are those that were not affected by receiving remittances. Some of the socio-economic variables included are age, household size, number of years of schooling, gender. The equation is put thus:

$$P_i = \log\frac{P_1}{1-P_1} = \log O_i = a_i + b_i Age + b_2 Housesize + b_3 school + b_4 Gender \qquad [2]$$

- From the Logit regression, a predicted value of the probability of remittances receiving was created. These were the propensity scores. Each individual had a propensity score.

- For each remittance receiving household, a non-remittance receiving household that has the closest propensity score, as measured by the absolute difference in scores, referred to as nearest neighbor was obtained. For more precise estimate, the nearest five neighbors were used. Thus, the nearest neighbor matching was used.

- The mean values of the outcome indicator (per capita expenditures) for the nearest neighbors were calculated. The difference between the mean and actual value for the

[3] The poverty line used is N23700 defined by the National Bureau of Statistics (NBS) for the 2004 household survey.

remittance receiving households (beneficiaries) is the estimate of the gain due to remittances.

- The mean of individual gains is calculated to obtain the average overall gain – the average treatment effect on the treated (ATT).

Remittances and Income Inequality

To assess the impact of international remittances on income inequality, the Gini coefficient decomposition technique proposed by Lerman and Yitzhaki (1985) was used. The choice was predicated on the following reasons: (1) it satisfies the five basic properties discussed in Ray (1998); (2) it corresponds to the Lorenz Curve, which depicts the easiest interpretation of the degree and extent of inequality in any given society or region; (3) it is easily decomposable by income source; and, (4) lends itself to easy-to-interpret decompositions of income effects (Lopez-Feldman et al. 2007). Following Lerman and Yitzhaki (1985), the Gini coefficient (G_T) of total household income is given by:

$$G_T = \sum_{k=1}^{k} S_k G_k R_k \qquad [3]$$

where S_k represents the share of remittances income on total income, G_k measures the Gini coefficient of each income source, and R_k measures the Gini correlation between each income source and the distribution of total income (Acosta et al., 2007).

Equation (3) makes it possible to decompose the influence of any income component, that is, remittances income, upon total income inequality, as a product of three easily interpreted terms, namely:

(i) How important the income source is in total income (S_k),

(ii) How equally and unequally distributed the income source is (G_k), and

(iii) How the income source and the distribution of total income are correlated (R_k).

Lerman and Yitzhaki (1985), showed that by using this particular method of Gini decomposition, the effects of a small change in income from any source say k , can be estimated, holding income from all other known sources constant. This effect is given by:

$$\frac{\partial G_T / \partial k}{G_T} = \frac{S_k G_k R_k}{G_T} - S_k \qquad [4]$$

which, shows that an infinitesimal change in income k has equalizing (un-equalizing) effects if the share of the Gini explained by that source income is smaller than its share in total income (Acosta et al., 2007).

III.4 Microeconomic Determinants of Migrant Remittances

Based on the seminar work of Lucas and Stark (1985), migrants' remittances may be driven by several motives. For instance, one is the so-called pure altruistic motive, in which the migrant is motivated to remit in order to care for the people left behind. The other is the self-seeking or self-interested motive that is driven by the concern for inheritance back at home, as well as the desire to return home ultimately in dignity, and probably to enjoy the fruits of ones labor. In terms of pure altruism, Lucas and Stark (1985) argue that the migrant derives utility from the utility of those left at home, and this later utility is a function of household per capita consumption (pcexp). This would in tend vary with household income (hhinc) and household size (hhsize). Thus, following Lucas and Stark (1985), the building block for the remittance function is given by,

$$\mathrm{Re}\,mit = (pc\exp, hhsize) \qquad [5]$$

However, relying on purely selfish motivations and the absence of altruism by migrant toward the family; a migrant may remit for three reasons. First, is the concern to maintain favor in the line of inheritance. This suggests two things namely; larger remittances would mean larger potential to inherit, and since male migrants have higher potential to inherit than female migrants, they would tend to remit more. A second self-interest of the migrant in remitting home may be to invest in assets (such as land, buildings, cattle, and so on) in the home area and ensure their careful maintenance (Lucas and Stark, 1985). The third is the intent to return home, in which the migrant is motivated to remit for the erection of an imposing residential building to enhance prestige or influence in the society[4]. Following these line of arguments, the remittance function is modified as:

$$\mathrm{Re}\,mit = (pc\exp, hhsize, gender, hhasset) \qquad [6]$$

Other important issues pointed out by Lucas and Stark (1985) include the belief that urban migrants are usually better educated and must remit to pay for the initial cost of education. This invariably implies that the household receipts should rise with the education level of the migrant and the effect larger for certain household members (such as sons, and daughters) than others (such as daughters-in-law, sons-in-law, even spouse). Also, remittances are often seen as a method of diversifying certain types of idiosyncratic risks faced by the household such as the risk of crop failure, price fluctuations, livestock diseases, other forms of economic insecurity. One form of diversification is to send some members to urban areas or to other countries. Based on the foregoing, the remittances function is further modified in equation (2) to incorporate these important issues thus:

$$\mathrm{Re}\,mit = (pc\exp, hhsize, gender, hhasset, migrantedu, urban, son, othermembers) \qquad [7]$$

However, because the level of financial development invariably affects the money sending channels of the migrants, the empirical specification was extended to reflect this. In fact, Bettin et al, (2012) found that transfers increase with the level of financial development as well as partly being determined by altruistic and investment motives. The current work

[4] We used the principal component method (PCM) to generate an asset index for each household (hhasset) that captures investment in assets or investment in fixed capital such as building.

situation of the migrant is therefore included to capture his earnings capacity. It is expected that migrants that have full-time employment as well as those that are self-employed would ~~to~~ remit more relative to the unemployed. To control for country of current residence of the migrant in the empirical specification, country dummies were included. We assigned the value of 0, if a migrant is living within Nigeria, 1 if living in OECD, and 2 if living in African and other countries. Marital status ~~is~~ was equally introduced to account for the fact that migrants who are married, and are living with their family members may be less likely to remit. On the basis of this, the empirical remittance function can now be specified as follows:

$$\begin{aligned}\mathrm{Re}\,mit = (&pc\exp, hhsize, gender, hhasset, migrantedu, urban, son, relationhh,\\ &worksituation, duration, country, maritalstatus)\end{aligned} \qquad [8]$$

A comprehensive review of the remittances literature by Hagen-Zanker and Siegel (2007) suggests that on the general sphere: altruism, insurance, loan repayment, bequest and exchange are the most significant determinants of remittances inflow. However, the authors pointed out that it is very important to take into account the country of residence of migrants when analyzing the determinants of remittances inflow. Based on this, the empirical model is modified thus:

$$\begin{aligned}\mathrm{Re}\,mit = {} &\beta_0 + \beta_1 pc\exp + \beta_2 hhsize + \beta_3 gender + \beta_4 hhasset + \beta_5 migrantedu +\\ &\beta_6 urban + \beta_7 son + \beta_8 relationhh + \beta_9 worksituation + \beta_{10} duration +\\ &\beta_{11} durationsq + \beta_{12} country + \beta_{13} livealone + \beta_{14} age + \mu\end{aligned} \qquad [8.1]$$

In order to consistently estimate the parameters of equation [8.1], two issues are involved, namely; the decision to remit money, and how much money to remit back home. Whether or not these two issues are driven by the same mechanisms or by different mechanisms remain an empirical issue that requires different estimation techniques. If the decision to remit is not independent of the amount remitted then, the appropriate estimation technique is the Tobit model[5]. This approach has been extensively used in the remittances literature (Gubert, 2002, and Amuedo-Dorantes and Pozo, 2006). The standard Tobit model often used is one with censoring from below at zero (i.e., the threshold parameter say L equals zero), and the latent variable say y^*, is linear in independent variables, with an additive error that is normally distributed and homoscedastic. However, one major weakness of the Tobit estimator is the assumption of normality and homoscedasticity (Cameron and Trivedi, 2009). When these assumptions fail, the model may not consistently estimate the parameters of equation [4.1][6].

On the other hand, if the zeros and positive values are generated by different mechanisms, the two-part model or the hurdle model can provide a better fit by relaxing the Tobit assumptions (Cameron and Trivedi, 2009). Cameron and Trivedi (2009) argued

[5] In the dataset, of a total of 1228 observations on migrants' total remittances, about 545 of the migrants sent 0 amounts. In other words, we have 545 censored observations.

[6] In the dataset used for the estimations, the total remittance variable shows nonnormal kurtosis and is highly skewed. We found during the estimations that the Tobit model was better suited in modeling the log of total remittances (i.e., logtotremit) than the total remittance (i.e., totremit) variable.

that the two-part model attains some of its flexibility and computational simplicity by assuming that the two parts (i.e., the decision to remit and the amount remitted), are purely independent (Nwosu et al. 2012). However, if it is conceivable that, after controlling for regressors, those migrants that sent positive amount of remittances are not randomly selected from the population, then the results of the second stage regression suffer from selection bias. Hence, the selection model developed by Heckman (1976) considers the possibility of such bias by allowing for possible dependence in the two parts of the model. The Heckman 2-step estimator has been widely utilized in the remittances literature either as an alternative, or as a complement to the Tobit model (see Agarwal and Horowitz, 2002). The study, therefore, employed Heckman's 2-step model in estimating equation (8.1) under the assumptions highlighted above.

III.5 Communication Activities via Workshops and Conferences

This is crucial for the success of the study in the countries involved. The rationale behind this strategy is that research has no worth when those for whom it is intended do not get to know the results. Towards this end, a key objective of the study is to influence country specific and regional-based migration policies through seminars, workshops and conferences. The planned seminars, workshops and conferences with the overriding aim of influencing policies were:

- Two workshops in each country, one to launch the project, and one to discuss and disseminate findings,
- Three regional project workshops, one to gather country study authors together and discuss research strategy, one to review progress with the country studies, and one to present the project's findings,
- At least two internal seminars to widely disseminate interim and final reports and to solicit feedback from the academia and the public;
- At least three round table discussions with key project stakeholders; and,
- Participation of researchers in at least three international conferences where the output of the research project will be presented

During the conferences and planned training workshops to build capacity for analyzing migration data and policy in Nigeria, efforts were made to involve government Ministries, Agencies and Departments (MDAs) (in charge of population, health, labour and productivity, planning, finance, statistics, and immigration etc,) and non-governmental organizations(NGOs) and civil society organizations (CSOs).

III.6 Capacity Building and Research Strengthening

Previous experiences include not only research on issues of poverty, income inequality and growth, but also on capacity building via research and training workshops with several policy stakeholders in Nigeria. Under the project, research capacity building visits include: (i) undertaking analytical and technical workshops in different research and policy institutions in Nigeria on the analysis of international migration and issues of national development such as poverty, income inequality and the end use of remittances; (ii) introducing researchers to recent statistical and econometric softwares such as STATA 10/STATA 11, SPSS 16 and DAD, and their role in the analysis of migration data, social and economic questions of development; and, (iii) training of M.Sc/PhD students as well as other postgraduate and undergraduate students.

IV. THE DATA

It is important to note that the quality of data used in any analysis is critical for measuring the final outcome. High quality data raise confidence about the quality of the outcome while poor quality data will impugn the quality of the final outcome. This section therefore describes in greater details the empirical data used. It reports both the primary and secondary data sources. In all, four different datasets were used in the empirical analyses. The first set of data was obtained from a purposeful sample of eight key stakeholders in Nigeria that directly deal with issues of migration and remittances. These include; the Central Bank of Nigeria (CBN), the National Planning Commission (NPC), International Office of Migration (IOM), the National Assembly (NA), the Economic Community of West African States (ECOWAS), Deposit Money Banks (DMBs), the Federal Ministry of Labour and Productivity, the Nigeria Immigration Services, the National Population Commission (NPC), and the National Commission on Refugees (NCFR). Overall, a total of 200 semi-structured questionnaires[7] were administered to the involved agencies to elicit stakeholders' opinions of the impacts of international remittances on issues of national development.

The second dataset used for the analysis was generated from an exit survey of 697 end-users of Western Union and Money Gram operating facilities in Enugu and Anambra States of Nigeria respectively. Enugu and Anambra states are two contiguous states and are among the five states that make up the south-east geopolitical zones of the country. Others are Abia, Imo and Ebonyi states. Until August 27, 1991, Enugu and Anambra states were one state. The two states have typical urban and rural features. Enugu state is largely rural with over 50% of the population living in rural areas while Anambra is more urbanized with an estimated 62% of the population living in urban and semi-urban areas. Anambra is also one of the most commercialized states in the country. Large numbers of the population are engaged in commercial activities particularly trading and transportation. The south east in general, has a very highly mobile population and because of the scarcity of land and a high population density, the people tend to migrate to other places in and outside the country in search of economic opportunities. It has been well documented that next to the indigenous population in any part of Nigeria, the south easterners are the next most significant population. This mobility of the population and engagement in commercial activities makes local money transfers and foreign remittances an important source of income for this part of the country. Large numbers of

[7] Each agency had a different version of the questionnaire particularly structured to suit the activities of the agency. This was done after serious discussion with the identified agency and each agency was administered a total of 25 semi-structured questionnaires (see appendix for more details on the questionnaires).

people from the two states can be found in the United States, Europe, South Africa and other parts of the world including Asia.

Owing to the extensive trade and other commercial activities taking place in these states, particularly in Anambra, a large number of commercial banks have their branches in these states. It has been observed that after Lagos and Rivers states which are two of the richest states in Nigeria, Anambra state has the highest number of deposit money bank branches in Nigeria. These banks are used for remitting money abroad for commercial purposes, particularly for importation of goods and services but also for the purposes of receiving money from friends and relations living in other cities in Nigeria and abroad in foreign lands. Thus, the choice of these two states for this study is not only because of the researchers' relatively better knowledge of them but also because of the relative significance of remittances in the well-being of the population of the states. Familiarity with the states is also important for better design of the study and, hence, for better outcome.

While all the 24 banks in Nigeria have branches in these states, it is to be noted that the basic channels for remittances coming to recipients in the two states are basically Western Union and Money Gram facilities. Furthermore, the operations of these remittance institutions are largely located in urban branches of banks and financial institutions with departments that can handle foreign exchange. Rural dwellers have to go to these urban branches to receive their remittances.

The field survey lasted for the entire duration of the project and was divided into three phases. The first phase covered a total of 200 end-users conducted during the months of March, April and December of 2011. The second phase~~d~~ covered a total of 300 end-users during the months of May, June and July of 2012, while the last phase that lasted from October to December of 2012, ~~to~~ covered a total of 197 end-users of Western Union (WU) or Money Gram (MG) facilities in the two states. The survey was based on the simple random sampling technique. Banks operating either the Western Union or Money gram money transfer were first identified. The main cities in the two states where the interview was conducted were also identified. Since it was difficult to establish a sampling frame of respondents for this purpose, the interviewers selected the respondents randomly from among those that came to the banks to receive their remittances.

The survey instrument used was a written questionnaire administered to individual respondent's as soon as they finished their remittance transaction with the bank. The instrument was designed in English Language since this is the national language and bank transactions are carried out through this medium. The questionnaire requested information about recipients' demographic information, remittances, and the perceptions of poverty. The demographic information section requests detailed information about the remittance receiver's age, gender, marital, educational and occupational characteristics. The substantive section of the questionnaire was the remittances section. This section requested for information on the relationship between the receiver and remitter, the educational qualifications of the remitter, the sector of the economy the remitter is working, the frequency of remittance, the occupation of the remitter and country of residence. It also asks questions about how the remittances were received and channels through which they were received. Questions were also asked about the regularity of remittances and uses to which the remittances were put into. The last section on perceptions of poverty asked questions on the extent remittances have impacted on the well-being of the recipient households as well as the wealth assets of the household.

Ten interviewers were used to generate the required information. These were students who graduated from the Department of Economics, University of Nigeria, Nsukka. In selecting the interviewers, special emphasis was placed on the ability to interact with respondents and bank officials in specialized environment like the bank halls. A dress code was adopted such that the interviewers were very decently dressed. This was important because since the topic of investigation was a very sensitive one (i.e., money), any untoward behavior could lead to suspicion. For this purpose too, it was felt that ladies were more appropriate for this kind of task than men since ladies constitute less risk agents to money receiver than men. During the interview, the interviewers were issued with an Identity Card of the Department of Economics. They were given two letters signed by the Centre for Demographic and Allied Research. The first letter was a letter introducing the interviewer and the purpose of the interview to the bank branch manager who must authorize the interview before it commenced. If the manager was not willing to do this, the interview would not be conducted in that branch. The second letter was a letter introducing the interviewer and explaining the purpose of the interview to the potential respondent. The potential respondent was requested to participate in the study by responding to the questions. However, it was also clearly stated that participation was voluntary and could not result to any loss of favor from the bank if he or she did not participate. The respondent was also informed about the number of minutes the interview was to last so that she or he may decide to participate or not. Furthermore, the interviewers were also strictly instructed not to discuss any other issue with respondents which did not relate to the topic of the interview. The respondents and bank managers were also given the telephone lines of the Head of Department of Economics and Coordinator of the field works in CDAR in case they would require any further clarifications about the study.

A two-day training program was organized for the field interviewers. This training program focused on understanding the basic concepts of remittances, the ordering of questions and the techniques of administering the questionnaire. The training program was followed by pre-testing of the questionnaire. This involves administering the instrument on a selected sample outside the population to be interviewed to ensure that the concepts are clear and will be understood by the prospective respondents. The findings from the pre-test were then used to refine and finalize the survey instrument. This step also helped to establish rigor and external validity of the study. Completed questionnaires were cross checked for consistency. Before the field survey started, a template was developed for the purpose of coding the data. All the variables in the data were captured in an excel template. Keying the data followed the completion of the field work.

The third set of data used, were generated from a household survey of 450[8] 'Absent Migrant' and 'Non-Absent Migrant' households in the Enugu and Anambra States of Nigeria respectively. Also, choice of the two states was largely informed by remittances findings from the first phase of the exit survey of end-users of Western Union and Money Gram

[8] This was equally carried out in two waves. The first wave of the survey lasted from November to December of 2011, while the last wave lasted from July to October of 2012.

facilities in the Enugu and Anambra states. Prior to the household survey, two Focus Group Discussions (FGDs) were held in Enugu and Anambra states, to further fine-tune~~d~~ the survey instrument~~s~~, identify possible survey areas for the field study, and to enlist eligible households for the actual survey. In Enugu, the FGD comprised 17 members drawn from all the 17 Local Government Areas (LGAs) that make-up Enugu state while that of Anambra state comprised 21 members corresponding to the 21 Local Government Areas (LGAs) in the state. As earlier indicated, the remittances statistics obtained from the first phase of the exit survey of Western Union and Money Gram operating facilities were used to identify two LGAs namely: Nsukka LGA and Njikoka LGAs for Enugu state and Anambra state respectively. From each LGA, five Enumeration Areas (EAs) were randomly selected (i.e., three urban and two rural) to yield a total of 10 EAs in the two states. Given the expected range of 450 households that was to be covered in the entire household survey[9], approximately 225 households were sampled from each LGA or about 45 households from each EA.

The fourth sets of data used for the empirical analysis were extracted from the Nigerian Living Standards and Measurements Survey 2004 (NBS, 2004) and from a recent World Bank Household Surveys for the African Migration Project for Nigeria, 2009. The NLSS of 2004 was used for the poverty and income decompositions analyses. The survey is a standard World Bank living standards survey that covers all the 36 states of Nigeria including the Federal Capital, Abuja. The data are divided into the six geopolitical zones in Nigeria and 19,158 households were interviewed with 92,610 individuals captured. The data contain information on household incomes from various sources including remittances and where the recipients of remittances live. Remittances have three components in the data namely value of cash remittance, value of food remittance and value of remittance of other items sent to the household. In the data, there are over 600 households that received money and other goods from household members living abroad outside the household and over 554 households that received money and other goods from non-household members. The files containing the remittance variables were merged with the files containing the household roster variables and other socio-economic variables used for analysis. Altogether, five files were merged giving a total of 15,556 households. Out of the 15,556 households used for the analysis, 94% (14,630) received remittances while, only 6% (926) did not receive remittances. The population weight was used as the weighing variable while the household size was used as the size variable.

The World Bank Household survey for the African migration project for Nigeria was used to analyze the microeconomic determinants of migrant remittances to Nigerian households. The sampling frame used in the survey was the 2006 National Population Census. For administrative purposes, Nigeria has 36 states and the Federal Capital Territory. These states are grouped into six geopolitical zones that is, the North East, North West, North Central, South East, South West and South South. Given the relative rareness of households with out-migrants to international destinations within the 10 year reference period (selected by the World Bank for all countries) prior to the planned survey, sampling methods appropriate for sampling rare elements were desirable, specifically, stratified sampling with two-phase sampling at the last stage. 12 states were randomly selected with probabilities of selection proportionate to the population size of

[9] This was the agreed sample size at the onset of the study.

each state. Hence, states with larger populations were more likely to fall in the sample from the high stratum states. Two Local Government Areas (LGAs) were randomly selected from each sample state and 2 Enumeration Areas (EAs) per sample Local Government Area – LGA (one urban, one rural) were selected to yield a total of 48 EAs in the high stratum states. For the low stratum, 6 states were randomly selected. From each of the state within the low stratum, 1 LGA was randomly picked and 2 EAs were selected per sampled LGA to give a total of 612 EAs in the low stratum. This yielded a total of 60 EAs for both strata. Given the expected range of 2000 households to be sampled, approximately 67 households were to be sampled from each LGA or about 34 households from each EA. Eventually, a total of 2,251 households with 13,415 individuals were actually sampled. Of the total households sampled, 563 had international migrants, 875 had internal migrants, while 813 had non-migrant households[10]. The sample was concentrated in the South because it was expected that the South should have more households with international migrants. The data was appropriately weighted so that it would reasonably be representative of the whole country with both internal migrant and non-migrant households.

V. EMPIRICAL FINDINGS

IV.1 Current Migration Laws and Policies in Nigeria

As rightly pointed out by de Haas (2007:5), to a larger extent, Nigeria currently lacks a well-defined, well-articulated and holistic migration policy. Nigeria has rather pursued a laisez-faire policy concerning the emigration of its citizens. This is irrespective of the fact that the stock of Nigerian emigrants in diaspora is over one million with the stock of emigrants as a percentage of the population of over 0.6% (Migration and Remittances Factbook, 2011). This makes the management of migration extremely difficult in Nigeria. Besides, until recently, the general views of the Federal Government of Nigeria (FGN) concerning both internal and international migration were that; (i) they disrupt social cohesion and societal values (NEEDS, 2004), (ii) it potentially contributes to urban unemployment, crime, conflict, failure in the maintenance of democracy, as well as urban pollution and waste management problems (NNPC, 2004, & de Haas, 2007), (iii) because it involves massive movement of the rural educated workforce, it increases the ageing and deepening of poverty in rural areas, and (iv) it was strongly associated with drug trafficking, forced child labour and prostitution. In fact, in the past, Nigerian migrants were only portrayed in the negative sense either in hard drug related cases, money laundering, child trafficking and financial crimes or "419" also known as advance fee fraud.

Despite the reluctant attitude of the FGN to pass into law the "Draft National Policy on Migration", the 1999 constitution of the Federal Republic of Nigeria governs the enforcement of immigration in Nigeria besides other extant laws such as: the immigration act, CAP 171, laws of Nigeria, 1963; the immigration regulations, CAP 171, laws of

[10] There is certainly the possibility of some households having both internal and international migrants however; this group was not captured and reported in the data set. However, extra efforts were made to report the results for households with internal (i.e., Nigeria) and international migrants (i.e., Africa and Others, OECD, Europe, USA etc.,) in different columns of Tables 3, 4 & 5.

Nigeria, 1990; the immigration (control of aliens) act, CAP 171, laws of Nigeria, 1990; and, portions of sections 25-32 of chapter III of the 1999 constitution on Citizenship. Equally, migration decisions in Nigeria have been largely guided by some international protocols and conventions of the United Nations (UN), the African Union (AU), the New Partnership for Africa's Development (NEPAD), the International Labour Organization (ILO), ECOWAS and the EU-African Union Partnership on Migration, Mobility and Employment.

National Legislation and Policies Guiding Migration Decisions in Nigeria

Immigration Act (CAP 171: 1963) & Immigration Regulations (CAP, 171:1990)

The Immigration Act (IA), Cap 171 of 1963, was passed by the parliament on the 1st of August 1963. It formally established the Nigeria Immigration Services (NIS) under the Federal Ministry of Internal Affairs as its parent and supervisory agency. The 1963 Act and the 1990 immigration regulations together constitute one of the most forceful laws in Nigeria that relate directly to migration. The regulations clearly outlines the statutory functions of the NIS to include: (i) control of immigration and emigration through Nigeria's land borders, airports and seaports (patrol of Nigeria's aerial, coastal and land borders); (ii) Issuance of visas; (iii) implementation of the ECOWAS Protocol relating to free movement of persons, including control and issuance of travel documents to Nigerians; (iv) monitoring the utilization of approved expatriate quota; (v) investigation of breaches of provisions of the IA; (vi) enforcement of repatriation and deportation orders; (vi) control of the country's borders, issuance and administering of travel documents and endorsement of all categories of travel documents of persons arriving in and departing from Nigeria, in addition to other functions. The NIS recently introduced a biometric e-passport to discourage documentation and document fraud.

Human Trafficking Act (NAPTIP ACT, 2003)

In July of 2003, the FGN passed into law the prohibition of trafficking in persons and other related matters. The National Agency for the Prohibition of Traffic in Persons and other Related Matters (NAPTIP), was therefore created and passed into law, and charged with the primary responsibility of implementing this law. Among the functions of NAPTIP are; to investigation, prosecute traffickers, rehabilitate trafficked women, and enlightened the general public and key government institutions such as immigration, police, and the justice departments. The Nigeria Immigration Services (NIS) and the Nigeria Police Force have anti-trafficking units. Between February 2004 and April 2006, NAPTIP was responsible for the return of 520 trafficked women who where apprehended en route to North Africa, and deportees from Europe (de Hass, 2007). Currently, NAPTIP has 6 zonal offices in Benin City, Lagos, Kano, Sokoto, Enugu and Uyo. At the ECOWAS regional level, Nigeria has endorsed and is implementing the ECOWAS Plan of Action against trafficking (2001, revised in 2005), as well as the 2006 ECOWAS-ECCAS Plan of Action against trafficking.

Nigeria's Draft National Policy on Migration and Migration Institutions

In 2006, the process of formulating a national migration policy began and this led to a draft National Policy on Migration which was discussed in a national conference in April 2007. Unfortunately, the draft policy was not signed by the appropriate authorities. When approved it is envisaged that an Agency for Migration, Refugees and Internally Displaced Persons will be responsible for implementing the policy and coordinating its activities with line ministries and other relevant bodies (FGN-EU CSP/NIP, 2008-2013). The draft National Policy on Migration (NNPM) in Nigeria envisages the following:

- to provide a platform for the uniform administration of migration in Nigeria through the establishment of an Agency or Commission that would be responsible for the coordination of all stakeholders in the field of migration and for implementing the contents of this policy;

- to serve as a guide for all government and non-governmental agencies, and for nations with whom Nigeria has foreign relations as well as international organizations that are involved in migration activities in the country;

- to form the basis for the effective co-ordination of the activities of Nigerian nationals resident abroad;

- to ensure that the human, economic, labour and civil rights of Nigerians resident abroad are well protected in their host countries including those established by existing International Conventions and Treaties, and through bilateral and multilateral agreements;

- in conjunction with the Ministry of Foreign Affairs through its missions abroad, to maintain a register of database of Nigerians resident in those countries including those under concurrent accreditation;

- to encourage orderly and official migration of Nigerians through the provision of timely and adequate information to the public at large;

- to establish regulations and guiding principles for a well-managed labour migration that would enhance the benefits to Nigeria and reduce the adverse impact accruing from the loss of skilled citizens;

- to encourage countries that have been clearly identified as destination countries to invest in the education and retraining in the fields of study of those professionals most likely to migrate;

- to work towards the elimination of irregular migration through more effective border controls, the regular sensitization of Nigerians about the dangers and hardships encountered by irregular migrants, as well as liaising with government agencies and non-governmental organizations that are involved in the promotion of job opportunities and self-employment;

- to ensure through existing legislation and regulations, that the National Agency for the Prohibition of Trafficking in Persons (NAPTIP) and other stakeholders work to eradicate all trafficking in persons, people smuggling and other related abuses and crimes;

- help stem the migration of Nigerian professionals in a haphazard manner, reduce the impact of 'brain-drain' through the development of organized labour migration and bilateral labour migration agreements;

- to establish, in conjunction with state governments, migration information centers at the federal, state and local levels where prospective migrants may be counselled;

- to encourage the participation of Nigerians abroad in economic activities at home through foreign direct investments;
- to develop alternative efficient and cost effective methods of official remittances through the designation of specific Nigerian banks as remittance channels;

- to ensure that Nigerians being repatriated from abroad are treated humanely and fairly, in safety and dignity. Ensure that their basic human rights are respected;

- through the proposed National Commission for Migration, facilitate the negotiated and voluntary repatriation of Nigerian irregular migrants in conjunction with the Ministry of Foreign Affairs and other stakeholders such as the Nigeria Immigration Service (NIS), National Emergency Management Agency (NEMA) and other security agencies;

- to provide capacity building and skill acquisition training programmes to Nigerians who are being repatriated in order to ensure that they will be gainfully engaged upon return. Nations repatriating Nigerian citizens must permit adequate time for the deportees to secure, convey and wind up their personal belongings and affairs, including the provision of opportunity to arrange for banking and other financial transactions;

- to encourage tertiary institutions to design courses that would be tailored not only to the needs of the employers in Nigeria, but also to equip graduates for areas of need outside the country;

- to promote dialogue and networking between sending, transit and receiving countries;

- to design and implement the streamlining of migration issues into Poverty Reduction Strategies especially NEEDS and its states and local offshoots; and,

- to address border management problems that threaten peace, security and development in Nigeria and throughout Africa in conjunction with the NIS and other security agencies.

Besides the draft NNMP, there are several other national institutions in Nigeria responsible for guiding migration decisions. This includes the National Population Commission (NPC) established in 1988 with constitutional powers cum statutory powers to collect, analyze and disseminate population and demographic data nationally. Other mandates of the NPC include undertaking demographic sample surveys, collation, compilation and publishing of migration and civil registration statistics as well as monitoring of Nigeria's population policy. The Migration Division of the NPC recently conducted a national survey on internal migration in 2010 alongside the national migration project which resulted in the formulation of a national migration profile for Nigeria as well as a labour migration database to monitor the departure and return of migrant workers in Nigeria.

There is also an International Labour Migration Desks (ILMD) in the Federal Ministry of Labour and Productivity established in 2004. The primary functions of the ILMD are; to formulate, review, and implement the national policy on labour migration, as well as to establish a database on migrants within and outside Nigeria. Also, there is a National Commission on Refugees **(**NCR) that was established in 1989. It coordinates the activities of all stakeholders on migration issues in Nigeria. In 2002, its mandate was extended to include responsibility for the resettlement of internally displaced persons, refugees, asylum seekers, returnees and migrants. In 2009, the Secretary to the Government of the Federation (SGF) assigned the responsibility for coordinating the policy to the Commission which then became the focal point for dealing with migration matters, refugees and internally displaced persons. Currently, there is a pending proposal to change the name of the commission to the National Commission for Refugees, Migration and Internally Displaced Persons with expended responsibilities for migration issues, including the draft National Policy on Migration. Finally, there is also the National Planning Commission (NPC) that coordinates supervising agencies on the implementation of the policy on migration as well as mainstreaming of the National Migration Policy into FGN's vision 20: 2020.

Central Bank of Nigeria Regulatory Framework on Workers' Remittances

Until recently, Nigerian migrants were only portrayed in the negative sense either in hard drug related cases, money laundering, child trafficking and financial crimes or "419". However; today, remittances from Nigerian migrants have become the single largest source of external capital inflow. Recent remittances statistics compiled by Migration and Remittances Factbook (2011), indicate that total remittances into Nigeria since 2007, has remained over US$9 billion. More specifically, the data showed that in 2007, 2008, 2009 and 2010, the total remittances inflow to Nigeria were respectively US$9.2, US$9.9, US$9.6 and US$10 billion dollars. The importance of these large inflows into Nigeria, engineered the introduction of the August 2003 Central Bank of Nigeria (CBN) regulatory framework on workers remittances. Specifically, section (1.4) sub-sections (10) of the regulation relate to remittances. It stipulates that:

- Only authorized financial institutions can electronically transfer funds on behalf of customers. Bank or banks that exist only in cyberspace are not allowed;
- Operators must ensure a safe and sound electronic fund transfer (ETF) network-switching environment with adequate internal controls;
- Electronic banking products and services should comply with the Money Laundering Act of 1995 as amended as well as the Know-Your-Customer (KYC) rules;
- Operators must conduct periodic control and evaluations of the switch and the network and ensure daily settlements of switch activity balancing of network activity. The CBN must be notified of fees charged as well as changes in the fees charged for services; and,
- The electronic banking services should be offered in the local currency, the Naira, only.

Furthermore, in 2008, the CBN issued two circulars namely BSD/DIR/CIR/GEN/VOL.2/017 of 20 November 2008 and BSD/DO/CIR/GEN/V.2/012 of 17 December 2008 to all deposit money banks (DMBs) and international money transfer operators (MTOs) in Nigeria. In the first circular, the CBN directed all DMBs to ensure that exclusivity clauses were no longer included in agreements between DMBs and International MTOs and that all existing agreements be reviewed to expunge such clauses. The CBN's argument is that exclusivity clauses negate the tenets of a competitive market scenario as well as impose unnecessary increases on the cost of money transfer services to the end-users. The second circular which supersedes BSD/DO/CIR/GEN/V.2/011 dated 10 October 2008 directed all DMBs and International Money Transfer Operators in Nigeria to put in place additional safeguards as follows:

- Funds transferred shall only be collected in the designated town for payment and nowhere else;
- All the money transfer operators in Nigeria should introduce a second level pin/code to be provided by the beneficiaries after confirming the availability of their transactions/funds before payment could be made;
- All the money transfer operators should ensure adequate information dissemination to enlighten the customers and the beneficiaries of the services; and,
- Banks shall investigate customer's complaints within the shortest possible time referring the beneficiary to the sender for onward complaint to the Money Transfer Operator (MTO).

Migration Policies and Programmes in Nigeria

Human trafficking has been identified by the FGN as a socio-economic phenomenon cum malaise. There exits human trafficking networks locally, regionally and internationally. However, policies to address them include: (i) the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children ratified in 2000 by the FGN, (ii) the Protocol against the Smuggling of Migrants by Land, Sea and Air supplementing the UN Convention against Trans-nationally organized crimes. At the ECOWAS regional level, Nigeria has endorsed and is implementing the ECOWAS Plan of Action against trafficking (2001, revised in 2005), as well as the 2006 ECOWAS-ECCAS Plan of Action against trafficking, (iii) the National Agency for the Prohibition of Trafficking in Persons and other Related Matters (NAPTIP) was established in 2003 to fight against domestic and external trafficking. NAPTIP has 6 zonal offices in Benin City, Lagos, Kano, Sokoto, Enugu and Uyo. The Nigeria Immigration Services (NIS) and the Nigeria Police Force have anti-trafficking units.

International Protocols and Conventions Guiding Migration Decisions in Nigeria

Nigeria is a signatory to a number of protocols and conventions of the United Nations (UN) and the International Labour Organization (ILO). These include the 1949 convention concerning migration for employment, the 1976 convention concerning annual leave with pay for seafarers, the 1990 convention on the protection of the inalienable rights of all migrant workers and members of their families, as well as the rest of the eight ILO's fundamental conventions on rights in the work place. Following Adepoju et al. (2007), Adepoju and Minnegheer (2008), and Okundayo (2008), the international conventions that relate to migration that have been ratified by the Federal Government of Nigeria with dates of ratification include:

- African charter on Human and Peoples Rights (23 June, 1982);
- African Charter on the Rights and Welfare of the Child (23/07/2001);
- Convention against Torture and Other Cruel, In human or Degrading Treatment or Punishment (ratified 20/04/2000);
- UN Convention against Trans-National Organized Crime (29 March, 2001);
- Convention concerning the prohibition and immediate action for the elimination of the worst forms of child labour (ratified 31/12/2001);
- Protocol to prevent, suppress and punish trafficking in persons especially Women and Children (26 April, 2001);
- Protocol against the smuggling of migrants by Land, Sea and Air (23 July, 2001);
- Discrimination (Employment and Occupation) Convention No. 111 of 1958 (23 August, 2002);
- ILO Convention No. 146 of 1976, concerning annual leave with pay for seafarers (19 December, 2003);
- International Convention on the protection of the rights of all migrant workers and members of their families (1990) (Nigeria acceded in 2009).

Besides the international conventions that relate to migration in Nigeria, there is also the National Legislations on labour migration in Nigeria which includes:

- NDE Act, 1988;
- Child's Right Act, 2003;
- Labour Act, 1974;
- NAPTIP Act 2003, expanded in 2005;

Nigeria has equally signed and ratified the following bilateral immigration agreements with the following countries. These include:

- Agreement on immigration matters between the FGN and the government of Italy signed on 12 September 2000 and ratified on 30 November 2000;
- Agreement on immigration matters between the FGN and the government of Ireland signed on 29 August 2001 and ratified on 30 November 2002; and,

- Agreements on immigration matters between the FGN and the governments of Spain, South Africa, Benin Republic, Ghana and Togo signed but yet to be ratified.

ECOWAS Protocols on Migration

Finally, at the regional level, Nigeria is a founding member of ECOWAS and hosts the ECOWAS Commission headquarters in Abuja. In May 1979, West African countries signed protocol A/P.1/5/79 on free movement of persons, residence and establishment at Dakar, Senegal on 29 May 1979. The FGN has since ratified both the 1979 protocol (Right of Entry and Abolition of Visa-Phase I), and the 1985 supplementary protocol A/SP.1/7/86 dated 6 July 1985 establishing the code of conduct for the implementation of the protocol on right of residence (the second phase). The supplementary protocol of A/SP.2/5/90 on the implementation of third phase (Right of Establishment) has also been ratified by the FGN. Furthermore, Article 2 of the 1979 protocol - A/P.1/5/79 establishes a three phase approach over 15 years for the implementation of (i) right of entry and abolition of visas; (ii) residence, and (iii) establishment. Articles 5 and 7 of the 1985 supplementary protocol – A/SP.1/7/85 enumerate protections for irregular immigrants. Article 23 of the 1986 supplementary protocol- A/SP.1/7/86 stipulates equal treatment with nationals for migrant workers complying with the rules and regulations governing their residence in areas like security of employment, participation in social and cultural activities, re-employment in certain areas of job loss and training.

Nigeria despite a founding member of ECOWAS, its commitment to emigration matters as spelled out in the protocols is highly questionable. Nigeria has repeatedly expelled several thousands of West African migrants, even after the ECOWAS protocol on free movements of persons and the right of residence and establishment had come into force (Awumbila et al., 2011).

IV.1.1 Stakeholders Viewpoints on Migration

In this sub-section, the policy response options of eight major key stakeholders interviewed in Nigeria are reported. These include; the Central Bank of Nigeria (CBN), the National Planning Commission (NPC), International Office of Migration (IOM), the National Assembly (NA), the Economic Community of West African States (ECOWAS), Deposit Money Banks (DMBs), the Federal Ministry of Labour and Productivity, the Nigeria Immigration Services, the National Population Commission (NPC), and the National Commission on Refugees (NCFR). Overall, a total of 200 semi-structured questionnaires[11] were administered to these agencies to elicit their various opinions and suggestions about issues on migration, remittances inflow and national development in Nigeria.

The Central Bank of Nigeria (CBN)

A total of 25 semi-structured questionnaires were administered to four major departments directly connected with international remittances and remittances data namely; the

[11] As early indicating, each agency had a different version of the questionnaire particularly structured to suit the activities of the agency. This was done after serious discussion with the concerned agency (see appendix for more details on the questionnaires).

External Sector, Trade and Exchange, Monetary Policy Department and the Department of Research and Statistics. The policy questions of interest revolved around the various channels of remittance inflows to Nigeria, the cost of remitting, CBN's regulatory requirements for MTOs to improve remittance services, and necessary policy options needed to help improve MTO meet international best practice for remittances transfer.

Firstly, concerning channels of remittance inflows into Nigeria, the CBN admitted that a large number of senders of remittances are through the informal channels. This is mainly due to: cheaper cost of transfer, pool money at destination, lack of documentations and delays, recipients of remittances prefer black market exchange rate, and small amounts are often remitted. Secondly, in terms of the cost of remitting, the CBN were of the view that the fixing of cost of transfer by MTOs mainly determines the current costs of making remittances through the banking system in Nigeria. Regarding means of improving the formal channel of transfers, the CBN suggested that the formal channels can be made more enabling to senders by: encouraging formal migrations, advocating for national identity card to be accepted from diaspora Nigerians, developing E-transfer products, and inducing Nigerian banks to open offshore branches in areas of high Nigerian diaspora so as to reduce transfer costs. Thirdly, in terms of what regulatory requirements apply to MTOs in Nigeria to improve remittance services, the CBN identified the following: the removal of exclusivity clause payment of remittances by MTOs in the locality of receiver, payment in foreign currency if desired by recipient, the CBN's (August 2003) guidelines on electronic banking in Nigeria, full disclosure of the particulars of senders, compliance with know-your-customer (KYC) rule and capital account not exceeding ten thousand dollars.

Fourthly, concerning what policy options can help improve MTOs meet international best practices, the Central Bank suggested a reduction in the current costs of making remittances to Nigeria by: developing a comprehensive regulation to guide the MTO operators , inviting money transfer organizations that are regionally-based particularly in areas of high concentration of Nigerian Diaspora, integrating informal transfer organizations into the formal system, and supporting market access of domestic deposit money banks into corridors of high concentration of Nigerian Diaspora. Fifthly, the Bank was of the view that the discrepancies existing on Nigeria's remittances data between the CBN and the World Bank are mainly due to different data sources but that it can be remedied for improvement through: regular cooperation with international MTOs, comparing of remittance figures from country of origin, and improved remittance data capture. Sixthly, the Bank was of the view that its monetary policy regimes strongly influence remittances inflow into Nigeria and that rise in interest rate and Naira appreciation increases inflow of remittances. The CBN suggested that the main drivers of the periodic increases in remittance inflows into Nigeria are; strong domestic economic conditions, empathy for family back home, investment for self and recipients, strong economic fundamentals at send countries, large number of first generation migrants, domestic liquidity, and macroeconomic stability at home country.

Finally, the CBN indicated that no circular has superseded circular BSD/DO/CIR/GEN/V.2/012 issued to banks and international MTOs in Nigeria. This implies that the apex bank does not have a robust and sustainable remittance policy for Nigeria. This has resulted to MTOs and deposit money banks benefiting from unnecessary rents.

The Economic Community of West African States (ECOWAS/CEDEAO)

Fifteen questionnaires were administered and only nine were retrieved. Information elicited from respondents suggest that the Economic Community of West African States (ECOWAS/CEDEAO) is now an "ECOWAS of the people" as against its earlier paradigm of "ECOWAS of nations". Respondents were of the view that the Commission has adopted the popular ECOWAS common approach to migration policy since January 2008 which seems suitable due to the historical philosophy guiding the ECOWAS policy of Free Movement of Persons and Goods. They posit that the Common Approach has necessitated the introduction of ECOWAS travel certificate and the new ECOWAS passport, introduction of the Brown Card Motor Vehicle Insurance Scheme, the setting-up of country-specific committees to regularly monitor ECOWAS plans and programmes on Free Movement of Persons, Goods and Vehicles. Respondents confirmed knowledge of the existence of the following protocols: (i) A/P1/5/79 Protocol relating to Free Movement of Persons, Residence and Establishment; (ii) Protocol A/P 3/5/82 relating to the Definition of Community Citizen; (iii) Supplementary Protocol A/SP.2/7/85 on the code of conduct for the implementation of the protocol on free movement of persons, the right of residence and establishment; (iv) Decision A/DEC.2/7/85 of the Authority of Heads of State and Government of the ECOWAS relating to the establishment of ECOWAS Travel Certificate for member states; (v) Supplementary Protocol A/SP./1/7/86 on the second phase (Right of Residence) of the Protocol on Free Movement of Persons, the Right of Residence and Establishment; (vi) Supplementary Protocol A/SP./2/5/90 on the implementation of the third phase (Right of Establishment) of the Protocol on Free Movement of Persons, Right of Residence and Establishment; (vii) Decision A/DEC.2/5/90 Establishing a Residence Card in ECOWAS member states; and (viii) Decision C/DEC.3/12/92 on the Introduction of a Harmonized Immigration and Emigration Form in ECOWAS member states; (ix) Supplementary Protocol A/SP.1/5/90 establishing a community guarantee mechanism for inter-state road transit of goods. Most respondents posit that decision C/Dec. 3/12/92 on the Introduction of a Harmonized Immigration and Emigration form in ECOWAS member states has not been fully successfully as expected due to politics. They correctly identified the three phases of the ECOWAS Protocol on Free Mobility of Persons, Goods and Services to include: **first**, the Right of Entry and Abolition of Visa/Entry Permit; **second**, the right of residence; and **third**, Right of Establishment. ECOWAS believes most member countries are emigration countries hence the high volume of remittances into the sub-region. Infact, they posit that "reverse migration transition" is being highly experienced on daily basis but that countries like Ghana, Benin Republic and Senegal have the potentials to attract immigrants. About 88 percent of the respondents listed Ghana, Cote d'Ivoire and Niger Republic as the three main destination countries for Nigerian migrants; while some others listed Cote d'Ivoire, Senegal and Togo. This is consistent with the listing of Migration and Remittances Factbook (2011). The 3 major reasons why Nigerians migrate to these West African countries are: economic (for economic empowerment), security (for political protection cum freedom), civil conflict (resulting to internal displacement) and so on. The necessary documentations required of any citizen of ECOWAS who wishes to migrate into the territory of the Commission include:(i) possession of a valid travel document, and (ii) an international health certificate (yellow card)

Respondents informed that ECOWAS had long adopted the 1969 OAU Convention, the 1951 UN Principles of Non-Refoulement and the 1967 UN Protocol on the status and the Banjul 2006 AU EX.CL/Dec. 305 (IX): "Migration Policy Framework for Africa" and the

"African Common Position on Migration and Development" as institutional frameworks cum policies for managing migration and migration related issues. They also revealed the existence of ECCAS/ECOWAS Plan of Action against Trafficking in Persons (Women and Children) in West and Central Africa (2006-2009) as some of the efforts to manage migration and its allied issues. However, they argued that the ECOWAS Common Approach might not be able to facilitate a robust migration policy framework and migration patterns in the sub-region if and only if some of the constraints inhibiting its smooth implementation like (a) erection of non-tariff barriers (b) unnecessary check-points and toll-gates along inter-state regional motor high ways/borders; (c) expulsion of citizens from other member states during civil conflict; (e) gross violation of protocols like not allowing the initial 90-day stay of ECOWAS citizens in an host ECOWAS nation are not discouraged by member states national Governments.

The National Planning Commission (NPC)

The National Planning Commission coordinates agencies on the implementation of the policy on migration as well as mainstreaming of the National Migration Policy into FGN's vision 20: 2020. A total of 25 semi-structured questionnaires were equally administered to three departments that are directly involved with migration and migration policy issues namely International Co-operation Department, Social Development, and Macroeconomic Analysis and Research.

Firstly, concerning knowledge and involvement in the preparation of the nation's national migration policy document, the NPC were of the view that an action plan has been developed by the technical working Group of the Commission and that implementation has commenced with donor intervention. They equally acknowledged the existence of a 2006 draft National Policy on Migration prepared by the inter-ministerial committee. However, the Commission is aware that it has not been endorsed and adopted by the Federal Executive Council and the National Assembly due to frequent regime shifts that leads to incessant changes in the administrative Head of the supervising Agency. In fact, one of the Directors revealed that within 2 years, not less than 5 ministers of Special Duties have been appointed, redeployed and disengaged with none able to present the council memo on migration policy for adoption. However, they claim that the National Migration Policy might not be effective as people move in and out with little or no restriction.

Secondly, the Commission posits that poor system of data management by most Ministries, Departments and Agencies (MDAs) involved in migration issues, overlapping and duplicated functions among major stakeholders suggest poor coordination. In sum, most Nigerian migration policies and policy proposals seem not to depend on evidence-based instruments and this leads to a lack of prioritization of policy action and poor budgetary provisions by the Federal Government. According to EU-EDF (2010); "The fact that migration is not yet fully included in national development plans - although some aspects of migration (brain drain, diaspora and internal migration) feature in the 2009 Vision 20:2020 - further adds to planning and policy incoherencies".

Thirdly, the NPC reported that they are aware of the new migration policy issues proposed in the new draft policy. These include; diaspora for development, promoting regular migration for employment, technical and regional cooperation, internal migration etc. Also the Commission was of the view that there exist sectoral policies to improve migration namely; the national labour migration policy and policy on internally displaced persons (IDP). Finally, the Commission suggested that the immigration Act of 1963 is not exhaustive in terms of: integrated migration issues, migration data and statistics, migration, diaspora investment and development.

International Organization for Migration (IOM Nigeria)

A total of 25 semi-structured questionnaires were administered to the IOM office in Nigeria. Responses from the IOM Office were highly technical and suggest that there exists a draft National Policy on Migration yet to be approved by the parliament. Also, the IOM were of the view that Nigerians migrate mainly; for greener pastures and improved standard of living, for security reasons, and for poor infrastructure and social services like health and education. Furthermore, the IOM revealed that the major countries of destination for Nigerian migrants in Europe are the UK, Germany, Spain, Netherlands and France. Within sub-Saharan Africa, the main destinations include South Africa, Sudan, Cameroun, Gabon and Equatorial Guinea, Senegal, Cote d'Ivoire, Ghana, Togo and Benin Republic. Officials reckon that there are millions of Nigerians of the Diaspora in Sudan and Cameroon. They also mentioned the Gulf States (Saudi Arabia, Kuwait) and North America (USA and Canada) as major destinations.

In terms of assisted voluntary return and reintegration, the IOM claimed to be aware of the existence of formal migration arrangements with other countries of the world. It was further revealed that the IOM had formal and informal agreements on assisted return in 2010 and 2011. They listed major countries of return in 2010 and 2011 to include the United Kingdom, Switzerland, Ireland, Italy, Netherlands, Greece, Israel, Belgium, Russia, Austria, Norway, Malta, Morocco, Libya, and Finland.

Concerning the role of the IOM and its involvement on migration-related issues in Nigeria, it was revealed that in 2008, the IOM supported by EU and the Italian Government, initiated the first consultative process towards the national migration policy with national stakeholders in Nigeria. Equally in 2009, the IOM organized a training workshop on labour migration policy development for members of the Technical Working Group. The National Labour Migration policy addressed three broad objectives namely: (i) promotion of good governance of the labour migration; (ii) protection of migrant workers and promotion of their welfare and that of family members left behind and (iii) optimizing the benefits of labour migration on development while mitigating the adverse impacts.

The National Commission on Refugees (NCR)

The NCFR was established in 1989 as the agency of the Federal Government of Nigeria commission that coordinates the activities of all stakeholders in migration and migration issues. In 2002, its mandate was extended to include responsibility for the resettlement of internally displaced persons, refugees, asylum seekers, returnees and migrants. In 2009, the Secretary to the Government of the Federation (SGF) assigned the responsibility for coordinating the policy to the Commission which then became the focal point for dealing with migration matters, refugees and internally displaced persons. The proposal to change the name of the commission to National Commission for Refugees, Migration and Internally Displaced Persons with expended responsibilities for migration issues, including the draft National Policy on Migration.

A total of 25 semi-structured questionnaires were also administered to the NCR. Firstly, NCR revealed that its role in migration and migration issues in Nigeria includes but not restricted to the provision of enabling supervisory environment necessary for adequate information to promote regular migration, effective coordination of migration policy issues and migration regulatory activities, maintaining a database of Nigerians resident abroad, combating irregular migration through public awareness campaigns on its adverse effects, more effective border control, promoting dialogue between transit and receiving countries, and helping to mitigate the impact of brain drain through effective and sustainable bilateral migration agreements. Secondly, the NCR revealed that Nigeria has signed and ratified the following bilateral immigration agreements: (i) Agreement on immigration matters between the FGN and the Government of the Italian Republic [Signed: 12/09/2000 and ratified: 30/11/2000]; (ii) Agreement on immigration matters between the FGN and the Republic of Ireland [Signed: 29/08/2001 and ratified: 30/11/2002]. Agreements on immigration matters exist between FGN and Spain/South Africa/Benin Republic/Ghana and Togo.

Thirdly, The NCR posit that Nigeria has ratified and domesticated both the Migration for Employment Convention, 1949 No. 97 of the ILO and the UN Convention on the Protection of the Rights of All migrant workers and members of their families, 1990 as well as the rest of the eight ILO's fundamental conventions on rights in the work place. Other international conventions ratified by Nigeria include African Charter on Human and Peoples Rights ratified 23/06/1982; Convention against Torture and Other Cruel, In human or Degrading Treatment or Punishment ratified 20/04/2000; UN Convention against Trans-National Organized Crime ratified 29/03/2001; Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children ratified 20/04/2001; African Charter on the Rights and Welfare of the Child 23/07/2001; Protocol Against the Smuggling of Migrants by Land, Sea and Air ratified 23/07/2001; Discrimination (Employment and Occupation) Convention No. 111 of 1958 ratified 23/08/2002; International Labour Organization Convention No. 146 of 1976 concerning annual leave with pay for seafarers ratified 19/12/2003 and Convention concerning the prohibition and immediate Action for the Elimination of the worst forms of Child Labour ratified 31/12/2001.

Fourthly, the NRC suggested that the reason for the delay in endorsing and approving the draft National policy is lack of political will and incessant regime shift in the office of the Special Duties Minister whose responsibility it is to administratively and politically influence the endorsement and adoption of the draft National Policy on Migration. In fact, since 2007, Nigeria has had not less than six Ministers of Special Duties suggesting high level of political instability and insensitivity. The new issues raised in the new draft national policy include Brain drain, Diaspora, Internal migration, issues relating to remittances, crosscutting social issues, return, readmission and reintegration of migrants, and so on. The Commission's statutory roles include the mobilization and sensitization of Nigerians in Diaspora to participate in nation building and national development.

The National Population Commission (NPC)

The National Population Commission (NPC) was established in 1988 with constitutional cum statutory powers to collect, analyze and disseminate population and demographic data nationally. The mandate includes undertaking demographic sample surveys, collation, compilation and publishing of migration and civil registration statistics as well as monitoring of Nigeria's population policy. A total of 25 semi-structured questionnaires were administered to various departments of the NPC to equally solicit their policy respond options to compelling migration issues in Nigeria. So far, the following policy response options were provided.

Firstly, concerning the labour migration policy in Nigeria, the NPC was of the view that the existence of the labour migration policy has compelled the Population Commission to establish: a migration division which conducted a national survey on internal migration in March/April 2010 as well as coordinated the national migration project that resulted in the formulation of a national migration profile in Nigeria, a labour migration database, which monitors the departure and return of migrant workers. To this effect, the Commission equally suggested that there is need for closer tripartite co-operation to ensure periodic monitoring, collation and analysis of statistics on departure and return of diaspora workers between the National Population Commission, the NIS and the National Bureau of Statistics (NBS). Finally, the Commission was of the view that its role is critical in timely data production, dissemination and especially, its use for planning and policy formulation as well as implementation, but that its activities seem to be hampered by lack of capacity.

The Nigeria Immigration Services (NIS)

The NIS was formally established by an Act of Parliament (Cap 171, Laws of the Federation of Nigeria) on 1st August 1963. The Service is under the control and supervision of the Federal Ministry of Internal Affairs, its parent agency. A total of 25 semi-structured questionnaires were administered to various departments of the NIS to also solicit their policy respond options to compelling migration issues in Nigeria. So far, the following policy respond options were equally provided.

Firstly, the NIS reported that basic statistics on migration arrival and departure compiled by the NIS were yet to be published due to administrative lapses. The EDF-Migration Project Report (2010) confirms this stating that "this situation, and the unanalyzed pile of migration arrival and departure cards at international borders collected by NIS, should be redressed to provide appropriate, timely and comprehensive migration data for planning". The NIS recently introduced a biometric e-passport to discourage documentation and document fraud.

Secondly, the NIS disclosed that it actively sensitize potential migrants indirectly on migration formalities through periodic seminars organization. Equally, the NIS disclosed that 2010, a migration desk was established at the NIS to streamline and co-ordinate all issues that relate to migration. The desk has experienced staff in various fields of migration management, including border control/patrol, investigation and inspectorate activities, passport administration, anti-human trafficking and operations. The functions of the desk include; co-coordinating all issues that relate to migration within the NIS, serving as focal unit that represents NIS at meetings that relate to migration, identifying and articulating relevant projects that will positively enhance NIS capacity in effectively managing evolving migration challenges, collating, store, process and disseminate migration data to relevant stakeholders, embarking on research into diverse fields of migration management as it pertains to NIS's statutory functions, and periodic compilation and posting on NIS Portal travel advice for the benefit of intending Nigerian travelers, as a measure to educate the travelling public in order to reduce their vulnerability to the tricks and antics of criminal gangs behind irregular migration.

Thirdly, the NIS revealed that almost 99% of the arrest of traffickers and trafficked persons are made by NIS officials and handed over to NAPTIP. Furthermore, it was revealed that the NIS is expected to participate fully in the following anti-trafficking activities namely: (i) to identify the zones of origin, transit and itineraries, map them out and dismantle the trafficking network; (ii) strengthen and expand joint law enforcement operational teams at national, State and LG level to carry out intelligence gathering, undercover operations, penetration of trafficking-in-persons syndicates with a view to dismantling them; (iii) take measures that permit the denial of entry into the country and/or the revocation of visas of suspected human traffickers; (iv) make a special regulation for refusal of entry and deportation of suspects and convicts in human trafficking cases and to grant temporary residence visas to victims of trafficking during dependence of any criminal, civil or other legal actions; and, (v) develop standard law enforcement operational procedure for the identification of foreign trafficking suspects and convicts and take action for apprehension, refusal of entry and deportation, with the objective to strengthen law enforcement inter-agency cooperation.

Finally, the NIS identified its major weaknesses to include: (i) loopholes in operational facilities and processes regarding prevention/detection/prosecution of document fraud; (ii) insufficient level of coordination with NAPTIP; (iii) inadequate planning/budgeting systems; (iv) limited allocation of resources for new equipment and, (v) infrastructure challenges,

Federal Ministry of Labour and Productivity (FMLP)

The following policy responses were obtained from 25 semi-structured questionnaires administered to different departments of the Federal Ministry of Labour and Productivity in Abuja. Firstly, the ministry disclosed that it has an international labour migration desks (ILMD) established in 2004 with the mandate to formulate, review and implement the national policy on labour migration, as well as to establish a database on migrants within and outside Nigeria. Secondly, it was opined that ILMD of the FMLP is responsible for ensuring the protection of employment and social rights of Nigerian workers abroad as well as those of foreign migrant workers in Nigeria. Thirdly, the FMLP further revealed that the ministry through its ILMD has the additional mandate to organize pre-departure training programmes and counseling as well as educate and sensitize Nigerians through media campaigns on the adverse consequences of irregular migration. Finally, it was revealed that the FMLP/ILMD have the following weaknesses: (i) insufficient staff strength to cover the wide range of functions; (ii) too many planned functions; (iii) lack of working plans and prioritization; (iv) lack of coordination with other agencies and (v) limited financial support from government.

The Deposit Money Banks (DMBs)

A total of 35 semi-structured questionnaires were administered to seven randomly selected Deposit Money Banks in Enugu and Nsukka (Enugu State) that are directly involved with Western Union Money Transfer, Money Gram Transfer, and Foreign Exchange Operations. These include First Bank of Nigeria PLC, Zenith Bank of Nigeria PLC, Access Bank of Nigeria PLC, Diamond Bank of Nigeria PLC, ECOBANK PLC, Keystone Bank PLC, and Fidelity Bank PLC. The main policy questions of interest were on remittances inflows, remittances flow channels, preferred currency of payment and costs, preferred means of identification. All the banks sampled reported that they act as agents in money remittance operations with the main service as disbursing to recipients. About 98% of the total number survey indicated that the two main MTOs used by Nigerian migrants are the Western Union and Money Gram facilities. However; surprisingly, First Bank Nigeria Plc. reported operating another MTO facility known as **RIA** which has just been launched into use. The bank respondents confirmed that more than 62% of Nigerian migrants prefer Western Union facility compared to only about 24.7% that prefer Money Gram facility. About ninety-five percent of the banks surveyed accepted that their main service in the chain of sending remittances is disbursing of remitted funds to beneficiaries and that this takes place in all branches. They revealed also that not less than 85% of MTO remittances received are paid out in local currency at the prevailing market rate. While 65% of bank officials claimed that about 58.3% of Nigerian migrants send home at most $500 (this is consistent with the results of the exit survey), the remaining 45% reported that the migrants remit more than US$500 at least four times a year.

Furthermore, most of the banks (about 85%), were of the opinion that it takes about 24 hours to receive money from correspondent booking agents and takes about the same period for recipients to receive money sent. Also about 99% of the banks listed USA, United Kingdom, Canada, Germany, Italy, Switzerland, France, Australia, Spain, Holland, Belgium (oversea countries) and Equatorial Guinea, Gabon, South Africa, Cote d'Ivoire (African countries) as leading countries from which remittances are sent into Nigeria. It is important to note here also that about 85% of the bank respondents claimed that internet facility is the main channel used for providing MTO remittance services, and that vital records of the identity of recipients of MTO remittance transactions are regularly kept officially. The major requirements that recipients are expected to produce before money is collected are a national identification card (ID) or international passport or drivers' license, pin number of transaction (the first 6 digits for Western Union, all the pin for Money Gram and RIA details of sender, amount sent and secret question/answer). Also, most of the bank respondents (i.e., 95%) listed; (i) valid identity card, (ii) ownership of bank account with recipient bank, (iv) third-party identification, and (v) test questions and answers as the main requirements for both literate and non-illiterate recipients.

Most of the banks revealed that December, January and April are months of highest receipts, while the months of February, July and August are the months of lowest receipts. Seventy percent of the banks claimed that the contribution of MTO remittance services to their total profit were in the neighborhoods of US$66,000, US$63,000, and US$60,000 in 2010, 2009 and 2008 respectively. Most of the banks reported that they are yet to have any account targeted at diaspora workers' remittances. Only ECOBANK PLC reported to have recently launched a Diaspora Remittances Account referred to as "Africa Diaspora Account" targeted at remittances by migrant workers' who work away from their home country. To this effect, ECOBANK PLC reported introducing the "**Rapid Transfer**" to be maintained in any foreign currency of choice in the migrants' origin countries. Most of the bank survey claimed that in order to encourage the inflow of remittances through the formal channel they regularly lower cost/charges, provide waiver on some documents requirement, render prompt services, pay recipients in foreign currency as well as periodically lavish gift items on recipients.

The surveyed banks equally reported that a reasonable percentage of the remittance transfers are conducted through informal channels because of the following reasons: (i) tendency to evade bank charges; (ii) strict regulatory interference; and (iii) senders do not want regulatory/security agencies to keep track of their remittances. Finally, the following suggestions were offered by the surveyed banks to help improve inflow of remittances through banks and MTOs. These include; (i) making transfers simple to process, (ii) reduction in cost of sending remittances/transfer charges, (iii) hosting of banks' swift code on banks' websites for easy access to senders, (iv) direct account lodgments like in the case of **RIA** money transfer facility, (v) removing restrictions on maximum amount an individual can receive, (vi) ensuring quick and efficient services to recipients, (vii) ensuring network availability all the time, (iii) making process of transfer very simple for customers, and (iv) ensuring new and better technology platforms for remittances.

V.2 End-Use of Remittances

V.2.1 Results of Exit Survey of MTOs

In this sub-section, the results of the exit survey of a total of 697 sampled end-users of Western Union and Money Gram operating facilities in Enugu and Anambra States of Nigeria are reported. This analysis highlights several important issues. First, it describes the household characteristics of the end-users of remittances in the South-East region of Nigeria. Secondly, it presents the channels through which remittances are made into Nigeria and the country of origin. Thirdly, it describes the type of remittance received, the relationship existing between recipients of remittances and remitters, nature of remittances, uses of remittances, specificity of remittance uses, poverty perception of the remittance recipients, and the impact of remittances on standard of living of the recipients.

Socio-economic Characteristics of Recipients

Tables 2 and 2.1 present the socio-economic and demographic characteristics of the respondents. As indicated in (Table 1), males constituted about 50% of the sample. Also, about 53% of the sample were married followed closely by those that were never married (42%). In terms of educational attendance, about 99% reported ever attended school with over 97% acknowledging being able to read and write. By age distribution, majority of the sampled end-users fall within the age brackets of 21-30 (38.2%), 31-40 (23.5%), and above 40 (25.7%). Finally, about 44.7% of the sample had an average household size of 5 or less household members.

Table 2: Distribution of Respondents by Socioeconomic Characteristics

Characteristics	Category	1st Round	2nd Round	3rd Round	Total	Percent
Sex	Male	98	145	105	348	49,93%
	Female	101	116	85	302	43,33%
	No response	1	39	7	47	6,74%
	Obs.	**200**	**300**	**197**	**697**	**100%**
Marital Status	Never married	99	132	67	298	42,75%
	Married	92	156	122	370	53,08%

	Consensual union	2	1	2	5	0,72%
	Widowed/Divorced	4	10	1	15	2,15%
	Separated	2	1	3	6	0,86%
	Others	1	0	2	3	0,43%
	Obs.	**200**	**300**	**197**	**697**	**100%**
Ever attended school	Yes	200	299	195	694	99,57%
	No	0	0	1	1	0,14%
	Don't Know	0	1	1	2	0,29%
	Obs.	**200**	**300**	**197**	**697**	**100%**
Literacy level	Can Read Only	2	3	5	10	1,43%
	Can Write Only	1	4	2	7	1,00%
	Can Read & Write	196	292	190	678	97,27%
	Neither Read nor write	1	1	0	2	0,29%
	Obs.	**200**	**300**	**197**	**697**	**100%**
Age	20 or Less Than	4	5	5	14	2,01%
	21 -30	99	117	50	266	38,16%
	31-40	33	77	54	164	23,53%
	Above 40	54	68	57	179	25,68%
	No response	10	33	31	74	10,62%
	Obs.	**200**	**300**	**197**	**697**	**100%**
Nos. of children in household	5 or Less Than	138	115	59	312	44,76%
	6 - 10 years	14	24	34	72	10,33%
	No response	48	161	104	313	44,91%
	Obs.	**200**	**300**	**197**	**697**	**100%**

Source: IDRC/CDAR Field Survey 2011-2012

Table 2.1 reports the distribution of the sampled respondents by their occupational characteristics. As indicated, more than 63.7% of the sample was employed in different forms of occupation. Specifically, the results show that majority of the respondents (18.4%) were employed as wage worker in private formal enterprises. This is closely followed by wage worker in the government sector (17.5%), those who are self-employed (10.6%), and those that are also self-employed in the non-agricultural sector (9.1%). This particular finding may seem to suggest that the motivation for remitting back home may be highly linked to altruism and investment as suggested by Lucas and Stark (1985). The implication of this statement is further substantiated in other subsequent sections of the analysis.

Table 2.1: Distribution of Respondents by Occupational Characteristics

Characteristics	Category	1st Round	2nd Round	3rd Round	Total	Ave.
Employment Status	Yes	54.0%	67.3%	69.9%	191.2%	63.7%
	No	45.0%	31.7%	30.1%	106.8%	35.6%

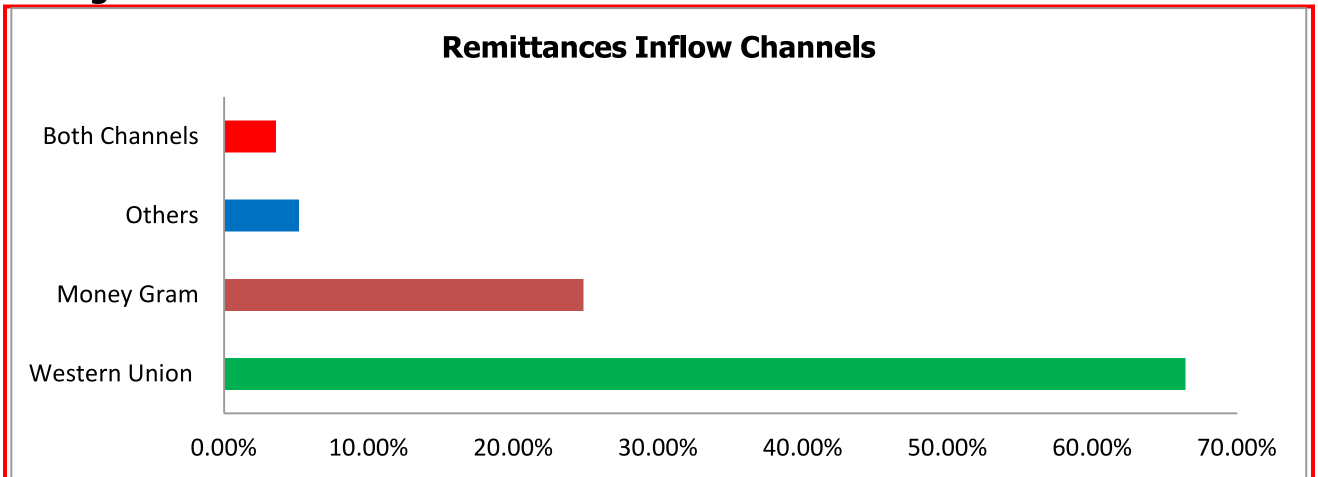
	No Response	1.0%	1.0%	0%	2.0%	0.67%
Principal Economic Employment	Wage Worker in Private Formal Enterprise	11.5%	18.0%	25.6%	55.1%	18.4%
	Wage Worker in Government Organization	16.5%	10.3%	25.6%	52.4%	17.5%
	Self-employed	6.5%	14.3%	10.9%	31.7%	10.6%
	Self-employed with Employees in Non Agriculture	10.5%	11.0%	5.8%	27.3%	9.1%
	Self-Employed without Employee in Agric	3.5%	3.3%	7.7%	14.5%	4.8%
	Self-Employed with Employees in Agriculture	1.5%	2.7%	4.5%	8.7%	2.9%
	Contributing Family Worker	4.5%	1.0%	1.3%	6.8%	2.3%
	Casual/Day Laborer	1.5%	1.3%	0.6%	3.4%	1.1%
	Domestic Employee	1.5%	0.3%	0.6%	2.4%	0.8%
	Apprentice	1.5%	0.3%	0.6%	2.4%	0.8%
	Others	20.5%	5.3%	16.7%	42.5%	14.2%
	No Response	20.5%	32.0%	0.0%	52.5%	17.5%

Source: IDRC/CDAR Field Survey 2011-2012

Channels of Receipts

In figure 1, we present the channel through which remittances are frequently received by recipients in the South-Eastern region of Nigeria. As shown, the Western Union facility is the major inflow channel through which remittances are received in the region. Over 66.4% of the recipients reported making use of the Western Union facility as against only 24.8% that reported using the Money Grams (MG) facility. Equally, the survey further revealed that only about 3.6% of recipients used both channels, while more than 5.2% reported having used other channels apart from WU and MG facilities.

Figure 1: Remittances inflow Channels

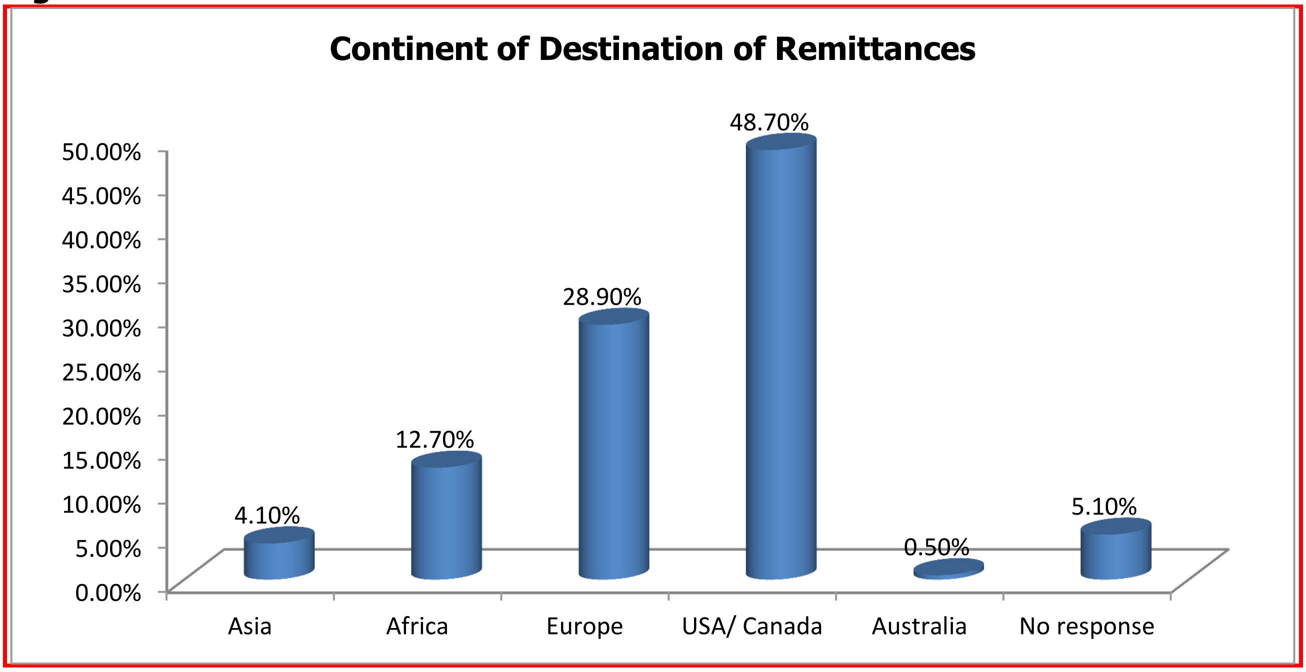


	Western Union	Money Gram	Others	Both Channels
Percentages	66.43%	24.82%	5.16%	3.59%

Continent of Remittances Origin

Data compiled by the Migration and Remittances Factbook (2011) indicates that the top destination countries for Nigeria migrants abroad are the United States, the United Kingdom, Canada, Europe, while within Africa, top destination countries are South Africa, Chad, Cameroon, Ghana, Côte d'Ivoire, Sudan, and Niger (Migration and Remittances Factbook, 2011). This is evidenced by the survey results (figure 2), which indicated that 48.7% of the remitters reside in the USA and Canada; while 28.9%, 12.7% and 4.1% of the remitters reside in Europe, Africa and Asia respectively. These results are equally consistent with previous findings by the Central Bank of Nigeria in 2008. The CBN found out that about 55.7% of remitters in Nigeria reside in the USA while 19.7% and 4.6% live in the UK and Canada respectively (CBN, 2008).

Fig 2: Continent of Destination of Remittances



Frequency of Remittances Inflow to Recipients

As shown in Table 3, about 80.3% of the recipients indicated that they have from 1 to 5 relatives living outside Nigeria, while 9.9% said they have close to 6 to 10 relatives residing outside Nigeria. In terms of how long the recipients have been receiving remittances, the analysis revealed that the greatest percentage (35%) of the recipients have been receiving remittances for an interval of one to five years. This was closely followed by those who have been receiving remittances for an interval of 5 to 10 years (24.7%). On the other hand, about 12.3% reported having been receiving remittances for more than ten years; while about 11.6% reported having been receiving remittances less than 6 months ago. Furthermore, as regards frequency of receipt of remittances, the highest percentage (23.5%) were those that receive remittances twice a year followed very closely by the group that mostly receive remittances monthly (23.1%). Also, those that receive every quarter (three months) interval stood at 21.9%. Finally, the results suggest further that majority of the respondents (39.1%) received remittances on the average, four times in the past one year prior to the survey, while about 18.9% and 18.6% received remittances twice and once in the past one year. It thus appears that, the frequency of remittances in the South-East is quite high.

Table 3: Frequency of Remittances Inflow to Recipients

Characteristics	Category	1st Round	2nd Round	3rd Round	Total	Percent
Number of Relatives Living Outside Nigeria	1-5	174	237	149	560	80,34%
	6 - 10	7	33	29	69	9,90%
	16-20	2	11	8	21	3,01%
	No Response	17	19	11	47	6,74%
	Obs.	**200**	**300**	**197**	**697**	**100%**
How Long Have You Been Receiving Remittance	< 6 months	22	35	24	81	11,62%
	Once Yearly	20	42	27	89	12,77%
	> 1 < 5 Years	76	102	66	244	35,01%
	> 5 < 10 Years	46	70	56	172	24,68%
	> 10 Years	25	39	22	86	12,34%
	No Response	11	12	2	25	3,59%
	Obs.	**200**	**300**	**197**	**697**	**100%**
Frequency of Receipt of Remittance from Relatives Abroad	Never	12	12	11	35	5,02%
	Monthly	40	83	38	161	23,10%
	Every 3 Months	49	68	36	153	21,95%
	Every 6 Months	35	66	63	164	23,53%
	Once Yearly	27	41	33	101	14,49%
	< Once Yearly	14	22	10	46	6,60%
	Other	14	8	6	28	4,02%
	No Response	9	0	0	9	1,29%
	Obs.	**200**	**300**	**197**	**697**	**100%**
No. of Times Received	Once	39	53	40	132	18,94%
	Twice	29	51	50	130	18,65%

Remittance in the Past One Year	Thrice	31	38	39	108	15,49%
	Four & Above	79	137	57	273	39,17%
	No Response	22	21	11	54	7,75%
	Obs.	**200**	**300**	**197**	**697**	**100%**

Source: IDRC/CDAR Field Survey 2011-2012

Relationship with Remitters

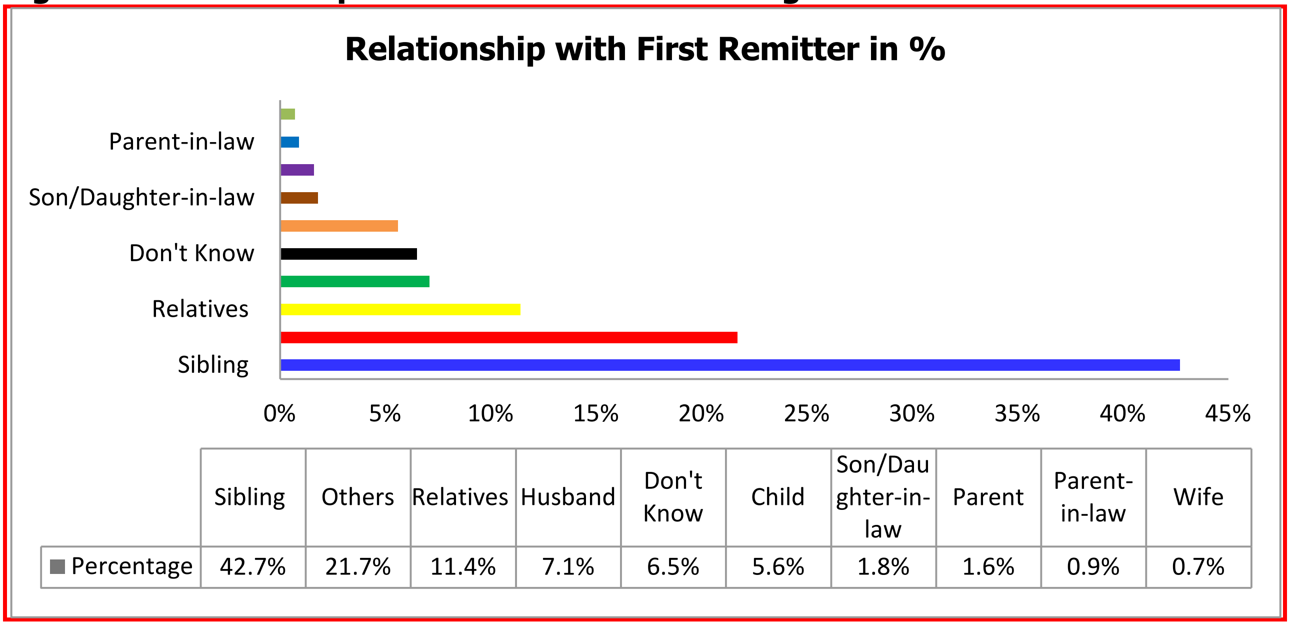
In terms of the specific relationship existing between recipients and remitters (Table 4 and figure 3), siblings accounted for over 42.7%, 29.7%, 23.6% and 14.5% of the first, second, third, and fourth remitters respectively. Closely following siblings are close relatives such as niece and nephews that accounted for over 11.4%, 8.5%, 4.6% and 6.9% of the first, second, third, and fourth remitters respectively. Husbands equally accounted for a sizeable number of the total remitters as about 7.1%, 1.6%, 2.1% and 0.23% of husbands were first, second, third, and fourth remitters respectively. This is consistent with earlier findings by Lucas and Stark (1985) that in order to maintain favor in the line of inheritance (i.e., driven by purely selfish motivations and the absence of altruism), male migrants tend to remit more back home than their female counterparts.

Table 4: Recipients' Relationship with Remitters

Relationship	Remitter1	Remitter 2	Remitter 3	Remitter 4
Sibling	***42.7%***	***29.7%***	***23.6%***	***14.5%***
Relatives	***11.4%***	***8.5%***	***4.6%***	***6.9%***
Child	***5.6%***	***3.4%***	***2.1%***	***1.4%***
Spouse (Husband)	***7.1%***	***1.6%***	***2.1%***	**0.23%**
Son/Daughter –in-Law	1.8%	2.6%	2.3%	1.7%
Parent	1.6%	0.5%	0.23%	0.1%
Spouse (Wife)	0.7%	0.4%	0%	0%
Parent -in- Law	0.9%	1%	0.23%	0.7%
Others	21.7%	18.9%	16.1%	19.9%
Don't Know	6.5%	33.4%	48.7%	54.6%

Source: IDRC/CDAR Field Survey 2011-2012

Figure 3: Relationship with Remitter in Percentages



Usage of Remittances

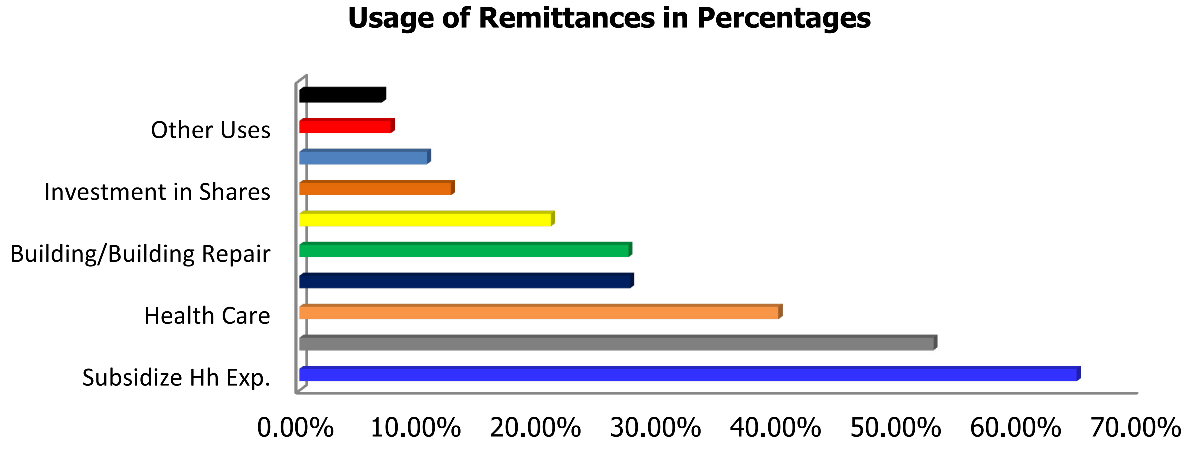
In Table 5 and figure 4, the results of the end use of remittances are reported. The results indicate that respondents that used remittances to subsidize household related expenses accounted for over 64.7%. Payment for education and fees accounted for close to 52.8%, health care related expenditure accounted for about 39.9%, savings accounted for 27.6%, building construction /building repairs accounted for 27.4%, small businesses accounted for 20.9%, while investment in shares stood at 12.6%. These findings are therefore consistent with the views of the New Economics of Labour Migration (NELM) school of thought pioneered by Stark (1978, 1991), and the livelihood approaches that evolved in the late 1970s. The NELM and the livelihood viewpoints regard migration as part of a broader household livelihood strategy to diversify income sources and overcome social, economic and institutional development constraints in places of origin (de Hass, 2007).

Table 5: Usage of Remittances

Expenditure Category	1st Round	2nd Round	3rd Round	Total	Percent
Subsidize HH Expenses	118	199	134	451	64.71%
Education/Tuition	96	142	130	368	52.80%
Health Care	61	99	118	278	39.89%
Savings	55	70	67	192	27.55%
Building/Building Repair	46	92	53	191	27.40%
Small Business	30	54	62	146	20.95%
Investment (e.g., Shares)	24	30	34	88	12.63%
Funerals	11	35	28	74	10.62%
Other Uses	14	25	14	53	7.60%
Travel	11	18	19	48	6.89%

Source: IDRC/CDAR Field Survey 2011-2012

Figure 4: Ranking of Remittances Usage by Order of Importance



	Subsidize Hh Exp.	Education/Tuition	Health Care	Savings	Building/ Building Repair	Small Business	Investment in Shares	Funerals	Other Uses	Travel
Percentage	64.71%	52.80%	39.89%	27.55%	27.40%	20.95%	12.63%	10.62%	7.60%	6.89%

However, in order to be very sure that these findings are consisted with micro level evidences on the motivation to remit namely: altruism, on the one hand, and self-interest to secure inheritance and to invest in home assets in the expectation of a return, on the other, further analysis were carried out to determine the motives of the migrants in remitting (Table 6). As observed, the major reasons are purely altruism and self-interest. That is, to care for those left behind by supporting household related expenses particularly in consumption, education and health, to invest in building to enhance prestige or influence in the society, and also investment in small businesses in order to return home ultimately in dignity and probably to enjoy the fruits of ones labor.

Table 6: Purposes of Remittances as Specified by Remitters

Purpose	1st Round	2nd Round	3rd Round	Total	Percent
Subsidize HH Expenses	77	154	111	342	49.07%
Education/Tuition	79	111	98	288	41.32%
Health Care	44	57	69	170	24.39%
Building/Building Repair	26	59	48	133	19.08%
Small Business	34	36	51	121	17.36%
Savings	39	36	29	104	14.92%
Travel	9	7	11	27	3.87%
Funerals	3	13	13	29	4.16%
Other Purposes	0	19	17	36	5.16%

Source: IDRC/CDAR Field Survey 2011-2012

Amount Sent by Remitters and Currency Disbursement by DMBs

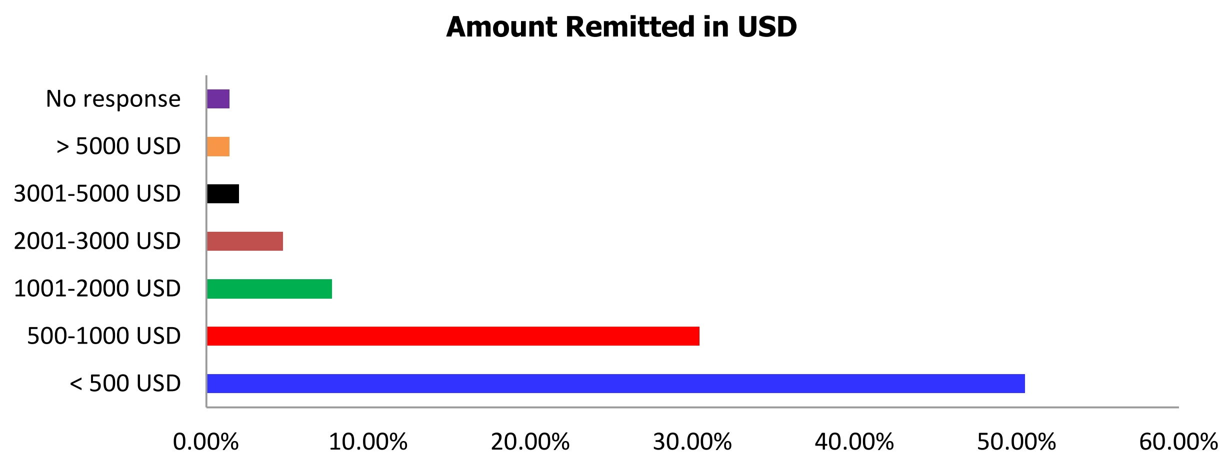
Given the CBN policy, DMBs are only allowed to receive and disburse remittances. DMBs are also enjoined to disburse funds either in the local currency (the Naira) or dollars only, depending on the choice of the remitters or at the discretion of the recipients (CBN, 2008). The results suggest that the greatest percentage of the remitters (50.5%) sent at most US$500 followed by those who sent between US$500 and US$1000 (30.4%). Furthermore, less than 1.4% of the remitters sent more than US$5000. Also, further investigation as to whether the recipients prefer to receive remittances in naira or in dollar as stipulated by the CBN, revealed that only about 34% preferred receiving remittances in Naira, while more than 57.8% preferred the dollar as the main currency of receipt.

Table 7: Amount Remitted in USD

Amount	1st Round	2nd Round	3rd Round	Total	Percent
Less than 500 USD	93	175	84	352	50.50%
500-1000 USD	66	75	71	212	30.42%
1001-2000 USD	16	23	15	54	7.75%
2001-3000 USD	4	19	10	33	4.73%
3001-5000 USD	8	5	1	14	2.01%
Above 5000 USD	6	1	3	10	1.43%
No response	7	2	1	10	1.43%
Prefer to Receive in Naira	82	75	80	237	34.0%
Prefer to Receive in USD	92	208	103	403	57.82%
Don't know	23	13	12	48	6.89%
No Response	3	4	2	9	1.29%

Source: IDRC/CDAR Field Survey 2011-2012

Figure 5: Amount Remitted by Remitters in USD

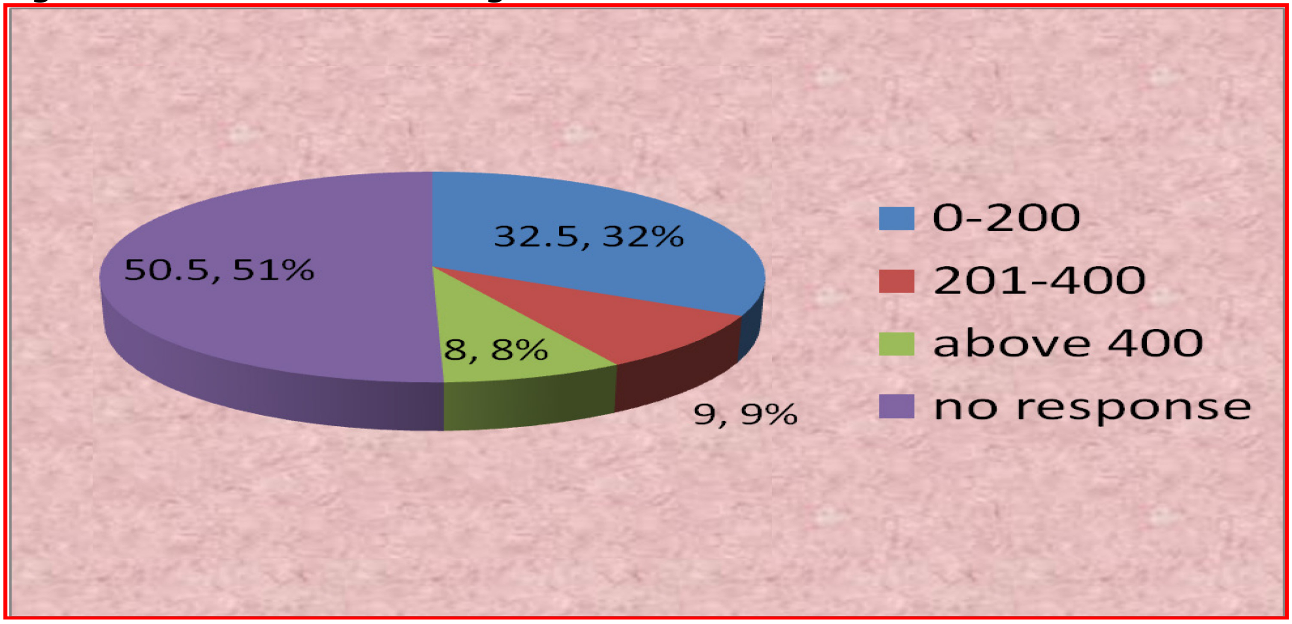


	< 500 USD	500-1000 USD	1001-2000 USD	2001-3000 USD	3001-5000 USD	> 5000 USD	No response
Percentage	50.50%	30.42%	7.75%	4.73%	2.01%	1.43%	1.43%

Cost of Collection in Naira

Part of the problem in receiving remittances in the local currency is that it is subject to exchange rate fluctuations, which constitute a potential transaction cost to the recipients. In support of this, more than 32.5% of the recipients indicated that they spent a maximum of N200 to collect their remittances while about 9.9% spent between N201 and N400 as remittances cost. Similarly, about 8.8% spent above N400 while over 50.5% failed to provide answer to the question which probably means that they spent nothing financially to collect the remitted money.

Figure 6: The Cost of Collecting Remittances in Naira



Communications with Remitters

Table 8 reports the opinion of the respondents as regards communication with their remitters. As indicated, majority (73.2%) were often/regularly in touch with their remitters while, about 21.8% were sometimes in touch with their remitters. Concerning the major means of communication between recipients and remitters, more than 93.2% reported using telephone while, about 21% reported communicating through email. Also, about 15.5% reported using the face book (social networking) as their major means of communication while, less than 9.7% communicated through friends and relatives. The fact that the greatest percentage of the respondents communicate with their remitters through telephone may not be unconnected with the revolution in the use of the Global System for Mobile Telecommunication (GSM) in Nigeria. In addition, the telephone channel is less time consuming and even less cumbersome. The email and face book will require the communicator either acquiring an internet system or visiting a cyber café or installing an internet modem. The question as to whether the collector of remittances is actually the end-user reveals that greatest proportion (59.5%) of people who collect remittances were the end users while, 28.5% were not the end-users.

Table 8: Communication with Remitters

Item	Category	1st Round	2nd Round	3rd Round	Total	Percent
How often are you in touch with your remitters	Regularly	143	229	138	510	73.17%
	Sometimes	36	61	55	152	21.81%
	Never	2	2	1	5	0.72%
	No response	19	8	3	30	4.30%
Means of communication with remitters	Phone	179	285	186	650	93.26%
	Email	62	59	26	147	21.09%
	Face book	39	60	9	108	15.49%
	Friends and relatives	7	60	1	68	9.76%
Are you end user of remittance received	Yes	119	212	128	459	65.85%
	No	57	86	67	210	30.13%
	No response	24	2	2	28	4.02%

Source: IDRC/CDAR Field Survey 2011-2012

V.2.2 Results of Household Survey

In this sub-section, we present the results of the combined waves of the household survey conducted in Enugu and Anambra States of Nigeria respectively. The main purpose of the survey was to compare expenditures in households with and without international migrants to establish household differences in investment decision, health seeking behaviour, educational enrolment and migration network. Out of the total of 450 households identified, 441 were actually interviewed comprising 1,965 individuals either during the first visit or during the recall visits.

The summary statistics of the sampled households are presented in Table 9. This includes the means and standard deviations of key variables used in the analysis. The mean age of the sample was 29 years with an average household size of 5 members. The mean monthly income was estimated to be about NGN31,342.3[12] or US$211.9 while, the average monthly salary for wage earners was reported as NGN28,764.9. Male constituted about 48% of the sampled households. Also, Anambra State constituted about 53.7% of the sample while, Enugu State was about 46.2%. Furthermore, about 48.8% of the sample were migrant households while, about 51.8% represented non-migrant households.

There are several other facts about the sample that are worth reporting. For example, full time students constituted the bulk of household members in the sample followed by the self-employed that make up 28% of the households. In terms of educational attainment of

[12] At the time of the surveys, the official exchange rate of the Naira to the dollar was about NGN 150.

the household members, those with primary education dominated (32.3%) followed closely by those with senior secondary education (29.2%). Those with tertiary education were less than 11%. Also, more than 84.1% of the household members reported that they were born in the rural areas, and also, about 53.5% of household members were sons and daughters of the head of the households.

Table 9: Respondents' Socio-Economic Characteristics

Category	Mean	Std. Dev.	Count
Age	29.81	19.76	1965
Household Size	5.5	2.31	1965
Income Monthly	31,342.24	21,969.46	1965
Salary Monthly	28,764.87	26,685.53	1093
Monthly Rents	16,267.89	53,304.06	1965
Proportions			
State			
Anambra	53.79		
Enugu	46.21		
Sex			
Male	48.14		1965
Female	51.86		1965
Received Remittances			
Yes	48.79		
No	51.21		
Work Situation of HH Member			
Full Time Employment	10.69		1965
Self Employment	28.55		1965
Full Time Student	47.79		1965
Unemployed	6.26		1965
Not Yet In School	4.17		1965
Retired	0.10		1965
Sickly	0.10		1965
Edu. Attainment of HH Member			
None	15.78		1965
Primary	32.33		1965
Junior Secondary	10.13		1965
Senior Secondary	29.18		1965
University/Higher Education	11.97		1965
Nursery	0.61		1965
Place of Birth of HH Member			
Rural Area	84.07		1965
Urban Area	15.73		1965
Outside Nigeria	0.15		1965
No Response	0.05		1965
Relationship of Member to HHhead			
Head	22.75		1965
Spouse	15.62		1965

Son/Daughter	53.54		1965
Brother/Sister	2.70		1965
Sister/Brother-In-Law	0.51		1965
Grand Son/Daughter	2.80		1965
Nephew/Niece	0.41		1965
Father/Mother	1.32		1965
Grand Parent/Grand Parent-In-Law	0.10		1965
Servant/Employee	0.10		1965
Not Related to Head	0.05		1965

Source: IDRC/CDAR Field Survey 2011-2012.

Remittances Inflow

In Table 10, the total amount of remittances inflow to households both in-kind and in cash from the banking and non-banking sectors are reported. It is broken down by sources of origin (i.e., Africa and Abroad). The essence is to accentuate if there are any significant differences between remittances originating from Africa and that of the rest of the world. As observed, for Africa, the bulk of the inflows passed through the bank while, that of abroad are mostly in-kind. This is justified given the fact that most migrants abroad prefer to ship cars and electronics than remitting actual cash. Also, the CBN has a maximum limit on remittances transfer of not more than US$10,000. However, generally, as depicted in Table 10, more remittances seem to originate from abroad than from within the African continent.

Table 10: Total Remittances inflow to Household (Cash and Kind)

Remittances Received from Africa (Bank and Non-Bank)					
Variable	**Obs.**	**Mean**	**Std. Dev.**	**Min**	**Max**
Cash_Bank	168	180,922.6	170,635.2	20,000	800,000
Cash_Naira (Non Bank)	65	79,077.11	98,895.68	7,500	400,000
Inkind_Naira_value	100	28,060	61,382.03	5,000	450,000
Remittances Received from Abroad (Bank and Non-Bank)					
Cash_Bank	296	472,584.5	825,128.6	10,000	6,500,000
Cash_Naira (Non Bank)	99	154,121.2	259,315.3	10,000	1,000,000
In-kind_Naira_value	176	547,142,0	673,859.4	5,000	2,500,000

Source: IDRC/CDAR Field Survey 2011-2012.

In Table 11, the country of origin of remittances to households is reported. As indicated, the top five countries of origin within Africa are Cameroon, Ghana, Togo, South Africa and Benin Republic while, that of Abroad are the USA, Germany, Spain, London and France. This is quite consistent with previous findings by the CBN in 2008, Ratha et al. (2011), and the World Bank Migration and Remittances Factbook, 2011.

Table 11: Remittances Country of Origin

Remittances Origin (Africa)	Frequency	Percentage (%)
Cameroon	71	23.43%
Ghana	52	17.16%
Togo	51	16.83%
South Africa	40	13.20%
Benin	26	8.58%
Niger	17	5.61%
Gabon	12	3.96%
Chad	6	1.98%
Liberia	6	1.98%
Lesotho	5	1.65%
Botswana	4	1.32%
Tunisia	4	1.32%
Zimbabwe	4	1.32%
Ivory Coast	3	0.99%
Swaziland	2	0.66%
Remittances Origin (Abroad)		
USA	124	18.62%
Germany	82	12.31%
Spain	44	6.61%
London	20	3.00%
France	15	2.25%
Holland	13	1.95%
China	12	1.80%
Denmark	5	0.75%
Indonesia	5	0.75%
Poland	4	0.60%
Japan	3	0.45%

Source: IDRC/CDAR Field Survey 2011-2012.

Table 12 reports the cross tabulation of the age categories of household heads and their remittances status. As shown, about 81.82% of the heads of household whose age category fall between the ages of 21and30, did not receive remittances compared to only 18.18% within this group that received remittance. Furthermore, the percentage of those who did not receive remittance is higher for age group 31-40 (about 91.11%) than any other age group. This is expected because this group falls within the active labour force and is less likely to depend on transfers for survival. Instead, they are the age category that should send remittances. On the other hand, up to 52.17% of those aged above 71 years received remittances. This is not very surprising because household heads above 71 years are highly dependent and rely on remittances and other forms of assistance from their children and others for survival.

Table 12: Remittance Status of the Household by Age Category of the Head

Age Category of the Head	Remittance Status		Total
	Not Received	Received	
21-30	81.82	18.18	100.00
	2.98	1.44	2.49
31-40	91.11	8.89	100.00
	13.58	2.88	10.20
41-50	74.80	25.20	100.00
	30.46	22.30	27.89
51-60	65.77	34.23	100.00
	32.45	36.69	33.79
61-70	56.67	43.33	100.00
	16.89	28.06	20.41
71 & Over	47.83	52.17	100.00
	3.64	8.63	5.22
Total	68.48	31.52	100.00
	100.00	100.00	100.00

Source: IDRC/CDAR Field Survey 2011-2012.

Expenditure Comparison between Recipients and Non-Recipients

Table 13 compares the average expenditure of the household by type of expenditure and remittances status. A close examination of the table shows that households that received remittances, on average, spend more in all expenditure categories relative to households that did not receive. For example, the consumption expenditure for the recipients is on average N137,312.9 or USD915 as against N104,184.1 or USD694.6 for non-recipients of remittance. This invariably means that per capita expenditure for remittance-receiving households is higher than that of the non-receiving households. Hence, remittances receipt could be welfare enhancing.

Table13: Mean of Household Expenditure Type by Remittance Status

Category	Not Received	Received	Total
Exp_Education	50233.6	83926.2	61464.5
	(72715.2)	(80035.6)	(76789.7)
Exp_Health	17892.4	37612.3	24250.7
	(27984.0)	(43411.7)	(34926.0)
Exp_Consumption	104184.1	137312.9	114770.1
	(71240.5)	(97447.5)	(81904.8)
Exp_Business	57139.1	124785.7	81319.1
	(62304.0)	(134681.6)	(99889.0)

Exp_Shares	60000	456363.6	395384.6
	(70710.7)	(846702.7)	(787396.7)
Exp_Building	186787.2	404352.1	280406.1
	(208735.9)	(514598.5)	(386537.9)
Exp_Wedding	63693.9	133235.3	87338
	(259723.6)	(133099.4)	(225710.2)
Exp_Funerals	50425	116560	70837.0
	(171936.5)	(157679.0)	(169492.6)
Exp_Maintanance	32851.4	61196.7	42904.1
	(47337.5)	(127745.9)	(85746.2)
Exp_Donations	3934.1	172517.9	55806.0
	(6759.0)	(517763.7)	(295938.5)
Exp_Hirepurchase	39406.3	50000	40583.3
	(52967.0)	(28284.3)	(50341.3)
Exp_Savings	24128.3	48022.3	33169.3
	(31115.6)	(57539.2)	(44509.4)

**Standard deviations* in parentheses

In Table 14, the results of the significance test of expenditure differential between remittance recipients and non-recipients are reported. Again, the results suggest that except for wedding, share purchase, hire purchase and funeral expenditures, the non-recipients have significantly lower expenditure levels than recipients. We thus, conclude that remittances have a significant positive impact on the expenditures of the receiving households.

Table 14: Significance Tests of Expenditure Differential

Category	Mean	T-value
Exp_Education	-33692.6^{***}	(-4.04)
Exp_Health	-19719.9^{***}	(-5.65)
Exp_Consumption	-33128.8^{***}	(-4.00)
Exp_Business	-67646.6^{***}	(-5.25)
Exp_Shares	-396363.6	(-0.64)
Exp_Building Project	-217564.9^{***}	(-3.72)
Exp_Wedding	-69541.4	(-1.03)
Exp_Funerals	-66135	(-1.64)
Exp_Maintanance	-28345.4^{*}	(-2.09)
Exp_Donations	-168583.7^{***}	(-3.67)
Exp_Hirepurchase	-10593.8	(-0.27)
Exp_Savings	-23894.0^{***}	(-4.63)
N	441	

t statistics in parentheses * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 15 shows the correlation coefficients between total remittances and some household expenditure types for which we have sufficient observations for the remittance recipients. The results suggest significant positive correlation between remittances and all expenditure categories. However, the highest correlation coefficient is recorded between remittances and expenditure on buildings (0.79), followed by savings (0.46) and business expenditure (0.36). This underscores the argument in literature that migrants invest in buildings and also undertake other forms of investment so that on their return in future they fall back on these investments. The next higher correlation occurs between total remittances and consumption (0.26) as well as the maintenance of other relatives (0.25). This pattern of correlation is expected and is consistent with the altruistic motive for remittances.

Table 15: **Correlation between Total Remittances and Household Exp. Types**

	Total Remittance		
Expenditure Category	**Rho**	**P**	**Count**
Exp_Education	.2165517	.0000294	366
Exp_Health	.2044592	.0000202	428
Exp_Consumption	.2605535	3.50e-08	435
Exp_Business	.3647209	8.37e-09	235
Exp_Building Project	.7878029	3.89e-36	165
Exp_Maintenance	.254828	.0007421	172
Exp_Donations	.2231303	.0024641	182
Exp_Savings	.4601248	6.48e-17	296

Source: IDRC/CDAR Field Survey 2011-2012

Table 16 presents further analysis of the significance test of expenditure differential of households by remittances continent of origin. As shown, except for expenditure on business, all other expenditure categories for households that received remittances from within Africa were significantly lower than expenditure categories for households that received remittances from abroad. This invariably implies that remittances expenditure is highly correlated with the continent of origin.

Table 16: Significance Tests of Expenditure Differential by Remittances Origin

	Africa	Abroad	
Expenditure Category	**Mean**	**Mean**	**t-value**
Exp_Consumption	117,029.5	242,559.4	-5.79***
	(7,840.9)	(20,530.9)	
Exp_Education	50,884.6	67525.3	-2.46**
	(5,225.9)	(4,377.2)	
Exp_Building Projects	26,623.4	36625.8	-2.91**
	(2,263.1)	(2,563.5)	
Exp_Business	29,014.9	30,127.7	-0.23
	(3,742.8)	(3,140.2)	
Observation	300	255	

Source: IDRC/CDAR Field Survey 2011-2012

In Table 17, a comparison of the end-uses of remittances by continent of origin is presented. A closer examination of the table suggests that for households that received remittances from Africa, expenditure on household consumption, education, building/repairs and business ranked top-most in total household expenditure. Contrary, for households that received remittances from Abroad, expenditure on building/repairs, consumption, marriage and education ranked top-most in total household expenditure. This invariable implies that why remittances from within Africa may be driven by the desire to carter for those left behind; remittances originating from abroad to a large extent may be driven by purely selfish motives.

Table 17: Comparison of Expenditure Type of Remittances by Origin

Ranking of the End-uses of Remittances by Origin (Africa)		
Expenditure Category	**Frequency**	**Percentage (%)**
Exp_Consumption	145	48.33%
Exp_Education	44	14.67%
Exp_Building/ Repairs	79	26.33%
Exp_ Business	22	7.33%
Exp_Health	1	0.33%
Exp_Funerals	6	2.0%
Exp_Savings	3	1.0%
Ranking of the End-uses of Remittances by Origin (Abroad)		
Exp_Building/Repairs	85	33.33%
Exp_Consumption	47	18.43%
Exp_Marriage	36	14.12%
Exp_Education	33	12.94%
Exp_Health	31	12.16%
Exp_Funerals	15	5.88%
Exp_Savings	5	1.96%
Exp_Business	3	1.18%

Source: IDRC/CDAR Field survey 2012

Remittances, Poverty and Income Inequality

It was also necessary to further analyze the distributional impacts of remittances income on household poverty and income inequality using the household survey dataset. Two approaches were used. That is, the Propensity Score Technique (PST) and the Generalized Entropy Inequality (GEI) measures. The decomposition results are presented in tables 18 and 19 respectively. Table 18 shows the propensity scores of the effects of remittances on poverty and other expenditure categories. As shown in (Table 18), the average treatment effect (ATT) suggests that for the matched group, the probability of being poor goes down by about 2% for a one unit (in this case, NGN1,000 or USD6.7) increase in remittance receipts, other things being equal. For the unmatched group, a unit increase in remittances receipt reduces the probability of being poor by about 28% and, this is statistically significant.

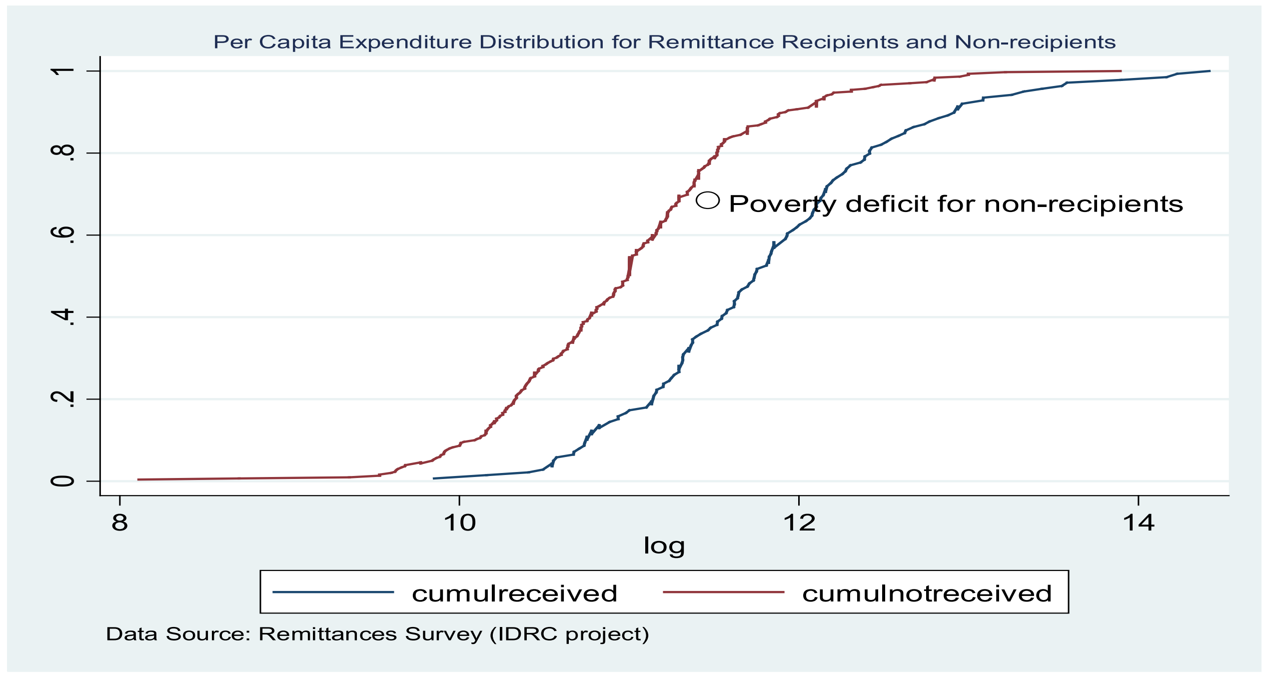
Table 18: Propensity Score of the Effects of Remittances on Poverty

Variable	Sample	Treated	Controls	Difference	S.E.	T-stat
Poor	Unmatched	.185567	.4657534	-.2801864	.0602516	-4.65
	ATT	**.185567**	**.2041237**	**-.0185567**	**.0849249**	**-0.22**

Source: Authors' Computation from IDRC/CDAR Field Survey Data 2011-2012

In figure 7, we illustrate the poverty gap between remittances recipient households and non-recipient households. The cumulative curve of the per capita expenditure on remittances recipient households is the blue curve which is surpassed by the red curve that represents the cumulative curve of the per capita expenditure on non-recipient households. The gap between the two curves, therefore, shows that the poverty deficit for non-recipient households as against recipient households is relatively high.

Figure 7: Per capita Expenditure Distribution for Recipients and Non-Recipients



In Table 19, the various generalised entropy inequality measures and their decompositions into within group and between group inequality by remittance recipients as well as the Gini coefficient are reported. The overall Gini is 0.514 showing that inequality is already high in the South-East zone. When the Gini coefficient is computed separately for the group that received remittances and the group that did not, we observe that Gini is higher for the group that received remittances than the group that did not receive. This means that remittance receipts in the zone increases income inequality contrary to findings in the household survey. A look at the decomposition of the entropy measure shows that much of the inequality is coming from within group than between group. This means that income disparity is higher within recipients and non-recipients than between them.

Table 19: Decomposition of GEI by Remittance Status of the Household

	Decomposition by Remittance Recipients				
Remittance	**GE(-1)**	**GE(0)**	**GE(1)**	**GE(2)**	**Gini**
Not Received	0.43006	0.32972	0.37543	0.66426	0.43905
Received	0.53129	0.41758	0.47722	0.82211	0.49586
	Within Group Inequality				
All Obs.	**GE(-1)**	**GE(0)**	**GE(1)**	**GE(2)**	
	0.53304	0.35741	0.42998	0.95797	
	Between Group Inequality				
All Obs.	**GE(-1)**	**GE(0)**	**GE(1)**	**GE(2)**	
	0.09792	0.09911	0.10387	0.11283	
	Overall Inequality				
All Obs.	**GE(-1)**	**GE(0)**	**GE(1)**	**GE(2)**	**Gini**
	0.63268	0.45743	0.53458	1.07166	0.51398

Source: Authors' Computation from IDRC/CDAR Field Survey Data 2011-2012

Determinants of Remittances Inflow

Table 20 shows the probit model and the marginal effects which model the likelihood of remittances receipt based on some household characteristics. The empirical findings suggest that household per capita expenditure and household size have postive and statistically significant impact on the probability that a household with migrants would receive remittances. Also, the age category above 70 also has higher probability of receiving remittances. More specifically, one unit increase (i.e., NGN1,000 increase) in household expenditure, increases significantly the probability of remittances receipt by about 39%. An additional increase in household size increases significantly the likelihood of remittances by about 4.7% for households that have migrants. Also, household head being above 70 years increases significantly the likelihood of remittances by about 53% percent. Household heads with tertiary education are about 18% less likely to receive remittances compared to heads with no education. All these findings suggest that the motive behind remittance receipts in the sampled states is purely altruism.

Table 20: Probit Model of Remittance Receipts

Variables	**Probit**	**Margeff**
Logpcexp	1.223^{***}	0.389^{***}
	(9.43)	(9.60)
Household Size	0.147^{***}	0.0467^{***}
	(3.35)	(3.34)
Sex of Head	-0.306	-0.0973
	(-1.06)	(-1.06)
Age categories		
31-40	-0.202	-0.0606
	(-0.33)	(-0.36)

41-50	0.763	0.264
	(1.36)	(1.30)
51-60	0.705	0.237
	(1.24)	(1.20)
61-70	0.896	0.320
	(1.54)	(1.47)
71 & over	1.434*	0.526**
	(2.28)	(2.67)
Work Situation of Head	0.115	0.0365
	(1.45)	(1.44)
Education Level of Head		
Primary	-0.00775	-0.00247
	(-0.04)	(-0.04)
Secondary	-0.383	-0.111
	(-1.47)	(-1.64)
Tertiary	-0.655*	-0.175**
	(-2.27)	(-2.82)
Marital Status of Head	0.112	0.0357
	(0.83)	(0.83)
Observations	440	440
Pseudo R^2	0.291	0.291
chi2	159.9	159.9

Marginal effects; *t* statistics in parentheses, (d) for discrete change of dummy variable from 0 to 1
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

V.3 Impacts of Remittances on Poverty and Income Inequality

In this sub-section, the poverty and inequality decomposition results are presented based on the 2004 NLSS data set. However, before presenting the decomposition results, the descriptive statistics of the sample are first reported. Table 21 reports the summary statistics of household education expenditure (edtexp), health expenditure (hltexp), household total expenditure (hhexp), household per capita expenditure (pcexp), household size (hhsize) and poverty (poor), classified by the households that received remittances and those that did not are presented. As shown (in table 9), households that received remittances **(15,556)** on average have higher expenditure levels except for education spending. Also, poverty is higher among the households that did not receive remittances while, there is no significant difference in the average household size between the two groups.

Table 21: Household Expenditure and Poverty Classification by Recipients

Recd_Remit	Variable	Mean	Sd	Min	Max	Obs.
Not Received Rem	edtexp	7173.391	26770.68	0	485000	926
	hltexp	16713.69	88174.46	0	2010840	926
	hhexp	124037.5	147121	6663.762	2145243	926
	pcexp	31950.16	30931.85	2482.661	330842.3	926
	hhsize	4.843413	3.034272	1	19	926
	poor	0.5237581	.4997051	0	1	926
Received Rem.	edtexp	6956.057	25467.39	0	814950	14630
	hltexp	17984.34	78835.2	0	3713060	14630
	hhexp	128975.4	130645.5	1200	4064869	14630
	pcexp	33808.85	43091.57	792.4576	2286242	14630
	hhsize	4.839645	2.906215	1	26	14630
	poor	0.5002051	.500017	0	1	14630
Total	edtexp	6968.994	25545.98	0	814950	15556
	hltexp	17908.7	79419.34	0	3713060	15556
	hhexp	128681.5	131683.9	1200	4064869	15556
	pcexp	33698.2	42466.82	792.4576	2286242	15556
	hhsize	4.839869	2.913895	1	26	15556
	poor	0.5016071	.5000135	0	1	15556

Source: Authors' Computations based on NLSS 2004 Data

Table 21.1 reports the summary statistics of the variables and total and per capita remittances classified by poverty[13] status of the household is reported. As indicated (Table 21.1), the non-poor households have on the average, higher expenditure level in all categories of expenditure. For example, education expenditure of the non-poor households is about 3 times larger than the education expenditure of the poor households. The average total expenditure of the non-poor households is more than 2 times larger than that of the poor, while per capita expenditure of the non-poor households is more than 4 times larger than that of the poor households. Likewise, per capita remittances by the non-poor households are 2 times larger than that of the poor households although the difference in average total remittances between the two groups is not significant. The number of the poor and non-poor are evenly distributed in the data.

Table 21.1: Household Expenditure and Remittances Received by Poverty Status

Poor	Variable	Mean	Sd	Min	Max	Obs.
Nonpoor	edtexp	10618.78	34445.66	0	814950	7753
	hltexp	30034.39	110194.7	0	3713060	7753
	hhexp	179470.2	165424.2	23807.84	4064869	7753
	pcexp	53623.88	52881.5	23707.29	2286242	7753
	hhsize	3.81749	2.518219	1	23	7753
	total_remit	14167.82	21492.9	0	350000	7753
	percap_remit	5942.518	12500.4	0	350000	7753
Poor	edtexp	3342.597	9788.071	0	216800	7803
	hltexp	5860.709	14795.53	0	227500	7803
	hhexp	78218.23	47670.22	1200	578540.2	7803
	pcexp	13900.21	5518.587	792.4576	23698.79	7803
	hhsize	5.855697	2.925187	1	26	7803
	total_remit	13628.46	20888.97	0	250000	7803
	percap_remit	3079.894	6111.669	0	118000	7803
Total	edtexp	6968.994	25545.98	0	814950	15556

[13] The poverty line used was N23, 700 or about (USD 182.3) defined by the National Bureau of Statistics (NBS, 2004) for the 2004 household survey.

hltexp	17908.7	79419.34	0	3713060	15556
hhexp	128681.5	131683.9	1200	4064869	15556
pcexp	33698.2	42466.82	792.4576	2286242	15556
hhsize	4.839869	2.913895	1	26	15556
total_remit	13897.27	21193.15	0	350000	15556
percap_remit	4506.605	9932.655	0	350000	15556

Source: Authors' Computations based on NLSS 2004 Data

In Table 21.2, the summary statistics of households by urban and rural classifications is equally presented. Surprisingly enough, there were no large differences in the variables between rural and urban households. This may be attributed to the distribution of the data in which 11,788 rural households were captured, and only 3,768 urban households were captured considering only those households that received remittances or not with no missing data.

Table 21.2: Summary Statistics of the Variables by Urban and Rural Classification

Sector	Variable	Mean	Sd	Min	Max	N
urban	edtexp	7217.426	26882.27	0	814950	3768
	hltexp	17132.55	68053.31	0	1578200	3768
	hhexp	127976	128629.1	4660	2029961	3768
	pcexp	34101.26	36661.52	1227.704	533880.2	3768
	hhsize	4.790074	2.858626	1	19	3768
	total_remit	14248.89	21336.22	0	250000	3768
	percap_remit	4491.536	8912.209	0	150000	3768
rural	edtexp	6889.583	25104.51	0	735000	11788
	hltexp	18156.79	82724.86	0	3713060	11788
	hhexp	128907	132650.1	1200	4064869	11788
	pcexp	33569.37	44162.47	792.4576	2286242	11788
	hhsize	4.855786	2.931283	1	26	11788
	total_remit	13784.88	21146.9	0	350000	11788
	percap_remit	4511.422	10237.76	0	350000	11788
Total	edtexp	6968.994	25545.98	0	814950	15556
	hltexp	17908.7	79419.34	0	3713060	15556
	hhexp	128681.5	131683.9	1200	4064869	15556
	pcexp	33698.2	42466.82	792.4576	2286242	15556
	hhsize	4.839869	2.913895	1	26	15556
	total_remit	13897.27	21193.15	0	350000	15556
	percap_remit	4506.605	9932.655	0	350000	15556

Source: Authors' Computations based on NLSS 2004 Data

Table 21.3 describes the characteristics of households classified by expenditure in terms of educational attainment. As observed, household expenditure categories on average increase with the level of education. However, average household remittances received are higher when the education level of the household head increases but the differences are also not much.

Table 21.3: Household Expenditure and Remittances by Educational Groupings

Edgrp	stats	edtexp	hltexp	hhexp	pcexp	hhsize	total_~t	percap~t
No Education	Mean	2822.623	14302.98	99200.51	27123.82	4.761479	13493.4	4451.009
	Sd	11064.83	61104.47	91460.29	35567.81	2.921381	20742.74	10173.96
	N	7274	7274	7274	7274	7274	7274	7274
Elementary	Mean	4279.811	18423.07	119403.7	25623.8	5.704545	16072.58	3794.665
	Sd	11558.33	46628.08	90783.06	20150	3.403498	22856.41	5891.075
	N	132	132	132	132	132	132	132

Primary	Mean	6292.061	26037.3	150554.7	38103.36	5.038772	13387.17	3705.788
	Sd	12539.6	92085.53	124608.7	50317.37	2.880318	22106.21	6742.663
	N	619	619	619	619	619	619	619
Secondary	Mean	8679.218	20179.92	145436.9	39843.66	4.595343	14216.05	4947.614
	Sd	24117.03	79368.14	131822.5	47004.1	2.720888	21448.57	10754.89
	N	5239	5239	5239	5239	5239	5239	5239
Tertiary	Mean	28681.08	27768.5	233846.8	58251.45	4.864809	14946.03	4974.527
	sd	62152.89	163753.3	260381	62356.52	3.004351	21976.42	9814.795
	N	969	969	969	969	969	969	969
Other	Mean	7676.342	17663.36	138086.7	26270.38	6.041572	14108.98	3168.911
	sd	36497.63	68601.56	130850.4	23124.69	3.189752	21409.47	5895.826
	N	1323	1323	1323	1323	1323	1323	1323

Source: Authors' Computations based on NLSS 2004 Data

Remittances and Household Poverty

As articulated under the analytical framework, in order to analyse the distributional and poverty impacts of remittances on household welfare in Nigeria, two different poverty experiments were carried out. First, we simulated the poverty effects of remittance inflows using the FGT indices by geo-political zones in Nigeria. This is based on the assumption that remittances add exogenously to household income. In the second experiment, we however treated international remittances as a potential substitute for domestic earnings and used the propensity score matching (PSM) technique to simulate the likely poverty effects of remittances on household welfare in Nigeria

Table 22 presents the decomposition results of the poverty experiment using the FGT decomposable framework. It was done by geo-political zone, sex, location of household heads and educational attainment classified by those that received remittances and those that did not receive. As observed, without remittances, the poverty rate measured by the head count ratio is about 0.35 in the South-South region, 0.27 in the South-East, 0.43 in the South-West and 0.67, 0.72 and 0.71 in the North-Central, North-East and North-West zones respectively. The empirical results also show that male-headed households have higher poverty compared to female-headed households, and that rural poverty is higher than urban poverty. Based on the key assumption that remittances add exogenously to household income, the results further indicate that with remittances, household poverty declines across all the geo-political zones and by sex and locality. For example, with remittances, household poverty fell from 0.35 to 0.30 in the South-South, from 0.27 to 0.22 in the South-East and from 0.43 to 0.36 in the South-West. Poverty also fell from 0.67 to 0.60 in the North-Central, from 0.72 to 0.66 in the North-East and finally from 0.71 to 0.66 in the North-East. However, the effect of remittances on poverty is larger in the South-West than in the South-East and South-South. Remittances equally have larger impact on poverty reduction in the North-Central than in the North-East or North-West, and the impact larger in the North-East than in the North-West.

By educational attainment, as expected, poverty is lower as the level of education increases. For example, household heads with no education have a poverty rate of 69% while those with primary education have a poverty rate of 48%. The poverty rate with tertiary education is about 43%, and surprisingly, the same as those with secondary education. When remittances are introduced, the impact on poverty reduction becomes more pronounced at higher levels of education. For example, if the head of the household has no education and receives remittances, poverty decreases from 0.69% to 0.63% (that is a decrease of 0.07%). On the other hand, if the head of the household has attained tertiary education level and receives remittances, poverty rate declines from 0.43% to 0.21% (i.e., a decrease of 0.22%). It does appear that remittances become more effective in reducing poverty with increasing level of education of the household head.

Conclusively, remittances impact more on poverty in the South-West and North-Central than other geopolitical zones where the impact is almost similar. Impact of remittances on poverty reduction in urban and rural areas is identical, and this is also the case when household heads are classified by sex. The results further indicate that remittances have larger impact when the education level of the household head is lower than at higher levels of education. This might be due to the fact that remittances are just a small proportion of total income or spending of household for which the head has higher level of education than the households with lower level of education. Therefore, a little addition to the income of households at the lower end of income distribution will have larger effect on poverty reduction.

Table 22: FGT Poverty Decomposition by Zones, Sector, Sex and Education

	Without Remittance					**With Remittance**				
Group Variable	P0	P1	P2	Share (P0)	Risk	P0	P1	P2	Share (P0)	Risk
Zone										
South-south	0.35	0.11	0.05	0.10	0.64	0.30	0.09	0.04	0.09	0.62
South-east	0.27	0.08	0.04	0.06	0.49	0.22	0.06	0.03	0.06	0.45
South-west	0.43	0.18	0.10	0.15	0.79	0.36	0.14	0.07	0.14	0.74
North-central	0.67	0.31	0.19	0.18	1.23	0.60	0.26	0.15	0.18	1.24
North-east	0.72	0.32	0.18	0.18	1.33	0.66	0.27	0.14	0.18	1.36
North-west	0.71	0.31	0.18	0.34	1.31	0.66	0.27	0.14	0.35	1.36
National	***0.54***	***0.23***	***0.13***			***0.48***	***0.19***	***0.10***		
Sector										
Urban	0.53	0.23	0.13	0.24	0.97	0.47	0.19	0.10	0.23	0.97
Rural	0.55	0.23	0.13	0.76	1.00	0.49	0.19	0.10	0.77	1.00
Sex										
Male	0.56	0.24	0.13	0.93	1.04	0.50	0.20	0.10	0.93	1.04
Female	0.37	0.15	0.08	0.07	0.67	0.31	0.12	0.06	0.07	0.65
Education										
No Education	0.69	0.32	0.18	0.48	1.28	0.63	0.26	0.14	0.49	1.30
Elementary	0.69	0.34	0.21	0.01	1.27	0.62	0.29	0.16	0.01	1.28
Primary	0.48	0.18	0.09	0.04	0.88	0.41	0.15	0.08	0.03	0.85
Secondary	0.43	0.17	0.09	0.29	0.80	0.38	0.14	0.07	0.29	0.78
Tertiary	0.43	0.09	0.05	0.04	0.46	0.21	0.08	0.04	0.04	0.44
Others	0.64	0.26	0.14	0.13	1.17	0.58	0.22	0.11	0.14	1.21
National	***0.54***	***0.23***	***0.13***			***0.48***	***0.19***	***0.10***		

Source: Authors' Computations based on NLSS 2004 Data

In the second experiment, in order to ascertain the impact of remittances on household outcomes (household expenditures, and poverty), we estimated a propensity score matching equation using the simple Logit model of households that receive remittances and those that did not. The empirical results are reported in Table 23. Surprisingly enough, there is no evidence of significant impact of remittances on per capital expenditure, though households that receive remittances spend more on per capita consumption, health expenditure and on food. Also, recipients of remittances have lower poverty compared to similar households that did not receive remittances but the difference is not statistically significant.

Table 23: Propensity Score Matching Results

Variable	Sample	Treated	Controls	Difference	S.E.	T-stat
pcexp	Unmatched	33808.8451	31950.1642	1858.68084	1439.00319	1.29
	ATT	33808.8451	34382.2768	-573.431705	2196.12821	-0.26
	ATU	31950.1642	34522.6766	2572.51236	.	.
	ATE			-386.163499	.	.
edtexp	Unmatched	6956.05666	7173.39093	-217.334264	865.679264	-0.25
	ATT	6956.05666	6499.04272	457.013944	1491.03645	0.31
	ATU	7173.39093	9156.13931	1982.74838	.	.
	ATE			547.83614	.	.
hltexp	Unmatched	17984.3368	16713.6901	1270.64678	2691.27724	0.47
	ATT	17984.3368	27189.428	-9205.09118	8411.6184	-1.09
	ATU	16713.6901	20572.121	3858.43089	.	.
	ATE			-8427.46059	.	.
fdtotdr	Unmatched	66417.08	66345.1983	71.8816769	1965.44411	0.04
	ATT	66417.08	67622.8993	-1205.81933	4071.47702	-0.30
	ATU	66345.1983	85302.1714	18956.9731	.	.
	ATE			-5.59139229	.	.
poor	Unmatched	.568967874	.590712743	-.021744869	.016775089	-1.30
	ATT	.568967874	.601298701	-.032330827	.035645091	-0.91
	ATU	.590712743	.520518359	-.070194384	.	.
	ATE			-.034584726	.	.

Source: Authors' Computations based on NLSS 2004 Data

Furthermore, in order to validate our findings, we estimated the determinants of household per capita and total expenditure with remittances as one of the explanatory variables using a 2-stage Multi-Nomial Logit Model (Table 24). The results correspond with those of the propensity score matching approach in Table 23. That is, remittances have positive but not significant impact on household per capita expenditure, but have positive and significant impact on household total expenditure. Modeling the factors that drive households' remittances, it was found that household expenditure, mother and father living and place of residence (urban or rural) are the significant determinants at the household level (Table 25).

Table 24: Impact of Remittances on Household Total and Per Capita Expenditure

Variable	Pcexp_OLS	Pcexp_OLS1	HHexp_OLS	HHexp_OLS1
recd_remit	.04548661	.04408015	.06051331**	.0602823*
ageyrs	.00250576	.00005107	.01714361***	.01674045***
agesq	.0000364	.00005335**	-.00011553***	-.00011275***
englit	-.46918239***	-.47616609***	-.45375911***	-.45490614***
mothliv	-.01891297	-.01812341	-.04032908	-.0401994
fathliv	.00250786	.00121775	.00540337	.00519148
hhsize	-.11366985***	-.10785887***	.0968619***	.09781632***
sector	.00220345	.00358869	.00163651	.00186403
sex		.15865235***		.02605765
_cons	11.158114***	11.034131***	11.192814***	11.17245***
-Regression Statistics				
r2	.24216921	.24633935	.21689482	.21701645
r2_a	.24185279	.24598531	.21656785	.21664864
ll	-20640.248	-20587.361	-20206.645	-20205.156
aic	41298.496	41194.723	40431.29	40430.312
bic	41369.245	41273.333	40502.039	40508.923
N	19169	19169	19169	19169

legend: * p<0.05; ** p<0.01; *** p<0.001

Source: Authors' Computations based on NLSS 2004 Data

Table 25: Determinants of Household's Remittances

Variable	Mod1	Mod2	Mod3	ModLogit
sex	.0342839	.03779891	.03633483	.08009847
age years	.00718097	.00660296	.00702671	.01446509
square of age of Head	-.00007572	-.00007071	-.00007531	-.00015592
literacy	-.0361716	-.03692034	-.03519541	-.07504113
urban or rural	-.08937514*	-.08935358*	-.08921677*	-.19025105*
relig==2	.02560955	.02438653	.04842198	.10017588
relig==3	.2379547*	.23752767*	.24659324*	.53366023*
father living?	.19887029*	.19977803*	.20010374*	.4060935*
mother living?	.14003952*	.14267245*	.14450195*	.30035336*
household size		.00170037	.00702768	.01482359
log hh_pcexp			.05349686*	.1126211*
Constant	.92824539***	.92558769***	.33713985	.23960935
r2				
r2_a				
ll	-3578.661	-3578.6217	-3575.7161	-3575.8876
aic	7177.322	7179.2433	7175.4321	7175.7752
bic	7254.6993	7264.3583	7268.2849	7268.6279
mse				

legend: * p<0.05; ** p<0.01; *** p<0.001

Source: Authors' Computations based on NLSS 2004 Data

Remittances on Income Inequality

In Table 26, the results of the decomposition of the contributions of remittances income and other income sources to total per capita household net income and income inequality in urban and rural Nigeria are presented. The first column, labeled S_k, reports the share of each income source in the per capita total income for rural and urban households in Nigeria. As shown, the principal sources of household income for urban Nigeria are wages and profit incomes (43% and 27% respectively) while, that for rural Nigeria are principally incomes derived from wages (18%), agriculture (29%), profit (23%) and gifts (13%). However, for the entire sample, wages dominated the income source with a percentage contribution of over 26% followed by profit income (24%) and agricultural income (23%). This is not surprising since majority of households either engaged in wage employment, farming or trading in both urban and rural. The contribution from remittances stood marginally at 0.4%.

The next column labeled (G_k), represents the Gini coefficients for each income source both in the urban and rural areas. As observed, the lowest source Gini comes from agricultural income with a total Gini coefficient of about 0.94: indicating that agricultural income has a very high income equalizing effect in Nigeria next to wages and profit. This could easily be verified from the fifth column labeled (G_T), which measures the share of total income inequality attributed to each income source. As shown, the share of total income inequality attributed to agriculture, wage and profit incomes are 0.27, 0.21 and 0.25 respectively (suggesting that these three income sources contribute the largest shares to total income inequality in Nigeria). This is largely due to the fact that incomes from these three sources made up high shares of aggregate household income as depicted in column S_k. which measures the share of each income source in total income.

However, in order to assess whether a given source of income reduces or increases income inequality, all else being equal, if $R_k > G_k$, and the share of source income (S_k) is increased or decreased, then income inequality (G_k) will increase or decrease (Fisher, 2004). Results of column four (i.e., Gini correlation with total income) indicate that the Gini correlation (R_k) for all the source incomes are lower than their respective source Gini. This implies that sources of income with Gini correlation or concentration ratios (R_k) with values lower than 0.92 (the aggregate income Gini) help reduce total income inequality. Results in column six indicate that, all else being equal, an increased share of incomes from agriculture, subsidy, total loan, contributions, property, dowry, remittances and other income sources, lowers income inequality in both urban and rural Nigeria. Conversely, increased income shares from wages, profit, fees, rents, dividends and pensions are associated with higher income inequality. For instance, a 10% increase in agricultural income, subsidy, total loan income, remittances income, or contributions, other things being equal, are associated with declines in the Gini coefficients of total income inequality in Nigeria by 2%, 0.03%, 0.05%, 0.02% and 0.01% respectively. Likewise, a 10% increase in wage income, fees, rents or profit incomes, ceteris paribus , are associated with increases in the Gini coefficient of total income inequality in Nigeria by 1.2%, 0.4%, 0.02% and 1% respectively.

However, generally; the income equalizing effects of these income sources are different between the urban and rural areas respectively. For example, while income derived from fees reduces income inequality by as much as 0.2% in the urban areas, it increases inequality at the rural areas by as much as 0.5%. Also, while income derived from rents increases inequality in the urban areas by 0.1%, it reduces it in the rural areas by as much as 0.1%. One good thing about remittances is that they have equalizing effect on household income both in the urban and rural areas. For example, the results suggest that a 10% increase in remittances reduce inequality by 0.02% in rural areas and 0.1% in the urban areas.

Table 26: Gini Decomposition by Income Source

Income source	Share in total income (S_k)			Income source Gini (G_k)			Gini correlation with total income (R_k)			Share in total-income inequality (G_T)			Marginal effect on Gini of total income*		
	Urban	*Rural*	*All*	*Urban*	*Rural*	*All*	*Urban*	*Rural*	*All*	*Urban*	*Rural*	*All*	*Urban*	*Rural*	*All*
Wage income	.43	.18	.26	.98	.99	.99	.97	.97	.97	.45	.19	.27	.02	.01	.012
Agric income	.07	.29	.23	.99	.92	.94	.85	.92	.89	.06	.27	.21	-.005	-.02	-.02
Profit income	.27	.23	.24	.97	1.0	.99	.92	.97	.96	.27	.24	.25	-.004	.01	.01
Fee income	.07	.09	.09	.99	1.0	1.0	.88	.97	.96	.07	.10	.09	-.002	.005	.004
Rent income	.02	.001	.01	1.0	1.0	1.0	.94	.79	.94	.02	.001	.01	.001	-.0001	.0002
Subsidy income	.01	.01	.01	1.0	1.0	1.0	.87	.88	.88	.01	.01	.01	-.000	-.0004	-.0003
Tot_loan income	.01	.01	.01	1.0	1.0	1.0	.82	.86	.86	.01	.01	.01	-.001	-.0004	-.005
Contrib. income	.01	.01	.01	1.0	1.0	1.0	.88	.91	.90	.01	.01	.01	-.000	-.0001	-.0001
Dividend income	.003	.000	.001	1.0	1.0	1.0	.98	.83	.96	.003	.0001	.001	.0002	-.0000	.0000
Property income	.006	.03	.02	1.0	.99	.99	.80	.81	.80	.005	.02	.02	-.001	-.0032	-.003
Gifts income	.05	.13	.11	.98	1.0	.99	.81	.95	.93	.005	.13	.11	-.001	.003	.001
Dowry income	.001	.001	.001	1.0	1.0	1.0	.70	.80	.78	.001	.001	.001	-.000	-.0001	-.0002
Rem. income	**.01**	**0.02**	**.004**	**1.0**	**1.0**	**1.0**	**.85**	**.84**	**.87**	**.01**	**.002**	**.004**	**-.001**	**-.0002**	**-.0002**
Pension income	.01	0.00	.006	1.0	1.0	1.0	.90	.94	.94	.01	.004	.006	-.000	.0001	.0001
Other income	.03	0.01	.02	1.0	1.0	1.0	.91	.85	.89	.03	0.01	.02	.0001	-.001	-.0007
Total income					.92	.92									

* Effects of a 10% increase in per capita income from different sources on the Gini coefficient of total income.

Source: Authors' Computations based on NLSS 2004 Data

V.4 Microeconomic Determinants of Remittances

This sub-section makes contribution to existing literature on migration studies in Nigeria in two ways. Firstly, the study employs a recent remittances survey data by the World Bank (World Bank, 2011), to analyze the determinants of remittances inflow to households in Nigeria focusing at both the sending and receiving ends. Secondly, the study distinguishes between internal and international remittances behavior. This is important because many studies have ignored internal migration and remittances, which according to recent survey data is huge and could be very effective in poverty reduction. Also, analyzing the determinants of internal remittances inflow to Nigeria is important because Nigeria is now one of the fastest urbanizing countries in the world. Between 1952 and 2006, the proportion of Nigerian population living in urban centers grew from less than 11% to an estimated 46%. This implies an approximate total urban population of about 65 million out of its 140 million persons living in urban centers (United Nations, 2008). This is higher than the average of one third of population living in urban centers in other African countries. If this rate of urban growth and migration continues unabated, more than half of the nation's population would be living in urban centers before 2020. This will definitely lead to urban congestion which could worsen the level of urban socio-economic crimes, urban violence and risky behavior.

Before presenting the estimated results, the descriptive statistics of the sample are first reported. While Table 27 presents the remittances behavior of migrants with respect to their educational qualifications, Table 27.1 reports the remittances status of migrants with respect to their current work situation and Table 27.2 summarizes the descriptive statistics of the variables used in the analysis. Starting with Table 27, migrants with higher education are more likely to send money compared to migrants with lower education. For example, about 34% of migrants with no education send money to the household members as against 66% who do not. At higher levels of education, the percentage of migrants who have ever sent money to the household members increases steadily. For instance, about 72% of migrants with tertiary or university education remitted money to household members against 28% who do not. Similarly, about 78% of migrants with graduate schooling remit money back home against just 22% who do not. In order words, migrants with tertiary education are about 2 times likely to send remittances relative to migrants with no educational background. The same could be said about migrants with graduate schooling as they are equally 2.3 times more likely to remit money to household members relative to migrants with no educational background.

Table 27: Remittances Status of Migrants by Educational Qualifications

Characteristics	Sample (%)	Col (%)	Row (%)
Never Sent Money			
No formal education	2.59	5.11	66.12
Alphabetization	1.33	2.62	82.00
Primary School	9.00	17.74	63.47
Secondary School	23.08	45.50	61.15
Secondary Level School	3.40	6.70	56.45
Tertiary/University	8.22	16.21	28.22
Post-secondary	0.65	1.28	43.48
Graduate School	0.78	1.53	22.22

Other	0.87	1.72	60.00
Don't know	0.81	1.60	86.21
Ever Sent Money			
No formal education	1.33	2.69	33.88
Alphabetization	0.29	0.59	18.00
Primary School	5.18	10.51	36.53
Secondary School	14.66	29.76	38.85
Secondary Level School	2.62	5.32	43.55
Tertiary/University	20.91	42.44	71.78
Post-secondary School	0.84	1.71	56.52
Graduate School	2.72	5.52	77.78
Other	0.58	1.18	40.00
Don't know	0.13	0.26	13.79

Source: Nwosu et al. 2012

As shown in Table 27.1, about 77% of migrants in paid full-time employment send money compared to only about 23% in the paid full-time employment who do not send money. Similarly, about 73% of migrants in paid part-time employment send money against 27% in the same category that never sent money. Furthermore, migrants who are not employed and those on long-term sickness as well as full-time students do not send remittances. This suggests that the current work situation of migrants play an important role in migrants' remittances behavior.

Table 27.1: Remittances Status of Migrants by Work Situation of the Migrant

Characteristics	Sample (%)	Col (%)	Row (%)
Never Sent Money			
Paid employment (full-time)	7.97	15.76	22.97
Paid employment (part-time)	1.07	2.11	26.40
Self employed	11.21	22.17	42.98
Full-time student	20.38	40.29	94.87
Unemployed/looking for work	3.30	6.53	78.46
Retired from work	0.29	0.58	60.00
Housewife	3.24	6.41	68.97
Long-term sick or handicapped	0.16	0.32	100.00
In military service	0.23	0.45	29.17
Not looking for a job	0.29	0.58	100.00
Other	0.52	1.02	69.57
Don't know	1.91	3.78	81.94
Ever Sent Money			
Paid employment (full-time)	26.72	54.06	77.03
Paid employment (part-time)	2.98	6.03	73.60
Self employed	14.87	30.08	57.02
Full-time student	1.10	2.23	5.13
Unemployed/looking for work	0.91	1.83	21.54
Retired from work	0.19	0.39	40.00
Housewife	1.46	2.95	31.03

Long-term sick or handicapped	0.00	0.00	0.00
In military service	0.55	1.11	70.83
Not looking for a job	0.00	0.00	0.00
Other	0.23	0.46	30.43
Don't know	0.42	0.85	18.06

Source: Nwosu et al. 2012

As further revealed in Table 27.2, on the average, about NGN72,544 or about US$483.6 was remitted by an internal migrant against NGN411,042 or about US$2,740.3 from those residing in EU or USA. Also, about NGN185,767 or US$1,238.5 was remitted by migrants from other African countries. It thus appears on the average that international migrants remit more than internal migrants. This is expected given the exchange rate of the naira to the dollar, Euro and other currencies in the EU area, which when converted to the local currency, result in huge amounts. Equally, years of schooling for migrants that live in EU and USA on the average, are higher than those living in Nigeria and other parts of Africa, so is the average age. Also, EU and USA migrants have at least 7 years of stay in current residence compared to 5 years reported by migrants residing in other African countries and 6 years for internal migrants.

Table 27.2: Summary Statistics of the Variables Related to the Migrant

	Nigeria	Europe & USA	Africa
	Mean	Mean	Mean
Total Amount of Remittances Sent By Migrant to HH in Past 12months	72,544 ($483.6)	411,042 ($2,740.3)	185,767 ($1,238.5)
Number of Years of Schooling Completed Before Migration	13	15	13
Duration Migrant Living in Current Location (Years)	6	7	5
Sex of Migrant	1	1	1
Age of Migrant	32	35	32
Marital Status of Migrant	3	3	4
Money Sending Channel by Migrant to Household	9	4	6
Current Occupation of Migrant	4	3	3

Source: Nwosu et al. 2012

Tables 28 and 29 report estimates of the Tobit and Heckman's estimators decomposed into internal and international remittances (overall, Africa and Abroad) alongside their marginal effects. Starting with Table 28 (i.e., the Tobit estimates), in terms of the overall results, the duration of the migrant in the country of residence, household asset, household size, living in OECD, highest education attainment prior to migration, being male, being a son, daughter or father to the head of the household, and type of employment have statistically significant positive impact on both the probability of remitting and the amount of remittances sent by the migrant to the household. More specifically, one additional year lived in the current location leads overall to 23.1% higher probability of remitting money. On the other hand, one additional year lived in the country of residence increases the probability of remittance by 20% for migrants living in Nigeria and by about 32% for migrants living outside of Nigeria. The square of duration is also statistically significant and negative suggesting that there is threshold number of years beyond which both the probability of remitting money and the amount remitted will we begin to decline. Household asset, overall, increases the probability of remittance significantly by about 35%. This is not statistically significant when we estimated different models for domestic and international migration.

Table 28: Tobit Estimates (With Marginal Effects)

Variable	Overall	Margeff.	Nigeria	Margeff.	Abroad	Margeff.
Duration	0.466***	0.231***	0.472**	0.197**	0.485*	0.316*
	(0.000)	(0.000)	(0.002)	(0.002)	(0.027)	(0.027)
Duration squared	-0.0116**	-0.00574**	-0.0111*	-0.00464*	-0.0138	-0.00898
	(0.004)	(0.004)	(0.023)	(0.023)	(0.087)	(0.087)
Urban	0.447	0.221	-0.139	-0.0580	1.106	0.717
	(0.403)	(0.403)	(0.849)	(0.849)	(0.163)	(0.161)
HH asset	0.706*	0.349*	0.669	0.278	0.503	0.327
	(0.022)	(0.021)	(0.107)	(0.106)	(0.284)	(0.284)
Live alone	0.0921	0.0457	0.464	0.194	-0.519	-0.337
	(0.857)	(0.857)	(0.508)	(0.510)	(0.491)	(0.489)
Logpcexp	0.404	0.200	0.243	0.101	0.572	0.372
	(0.082)	(0.082)	(0.480)	(0.480)	(0.072)	(0.072)
HH size	0.204*	0.101*	0.221*	0.0921*	0.181	0.118
	(0.011)	(0.010)	(0.034)	(0.034)	(0.161)	(0.162)
OECD	2.863***	1.501***				
	(0.000)	(0.000)				
Africa & Others	0.374	0.187				
	(0.629)	(0.633)				
Highest Educ B4	0.481**	0.238**	0.573**	0.238**	0.431	0.281
	(0.003)	(0.003)	(0.008)	(0.008)	(0.096)	(0.096)
Female	-1.185*	-0.587*	-1.410	-0.587	-0.523	-0.340
	(0.045)	(0.045)	(0.076)	(0.076)	(0.570)	(0.570)
Age	0.104**	0.0514**	0.108*	0.0450*	0.113*	0.0737*
	(0.002)	(0.002)	(0.010)	(0.010)	(0.046)	(0.045)
Head or Spouse	2.187	1.172	2.768	1.277	1.378	0.937
	(0.100)	(0.127)	(0.145)	(0.186)	(0.458)	(0.476)
Son, Daughter, Father	3.577***	1.773***	4.642***	1.915***	2.349*	1.543*
	(0.000)	(0.000)	(0.000)	(0.000)	(0.010)	(0.011)
Brother, Sister	-0.543	-0.267	-0.264	-0.109	-0.390	-0.252
	(0.473)	(0.469)	(0.819)	(0.819)	(0.699)	(0.697)
Paid Full-Time	12.22***	6.618***	13.18***	6.452***	10.75***	6.887***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Paid Part-Time	12.63***	9.038***	11.36***	7.027***	12.22***	10.06***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Self-Employed	9.954***	5.878***	11.08***	5.532***	6.923***	5.103***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Observations(obs)	1127	1127	720	720	407	407
Uncensored obs.	642	642	364	364	278	278

Left censored obs.	485	485	356	356	129	129
chi2	632.8	632.8	396.4	396.4	189.4	189.4
Pseudo r2	0.114	0.114	0.121	0.121	0.0848	0.0848

Margeff=Marginal effects; *p*-values in parentheses, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

However, the Heckman's 2-step estimates reported in Table 5 indicates that household asset increases significantly the likelihood of sending money for migrants living in Nigeria by 6% but not significantly for migrants living abroad. Hence, the evidence that migrants send more money for asset acquisitions is weakly supported by our empirical findings. Furthermore, the results suggest that higher household size increases both the probability of remitting and the amount remitted. This implies that remittances increased with household size possibly due to altruistic reasons as suggested by Lucas and Stark (1985). Also, living in OECD countries increases both the probability and the amount of remittances significantly relative to domestic migrants. However, we found no significant difference in the amount of remittances between domestic migrants and migrants in African and other countries. This implies that remittances to Nigeria in the future may partly depend on whether the country of destination is OECD or not.

Table 29: Heckman 2-Step Estimates (with Marginal Effects)

	Overall	Margeff.	Nigeria	Margeff.	Abroad	Margeff.
Logtotremit						
Highest Edu B4	0.0450	0.0366**	-0.0124	0.0457**	0.143	0.0181
	(0.512)	(0.003)	(0.887)	(0.003)	(0.196)	(0.331)
Duration	0.137*	0.0338***	0.139*	0.0282*	0.100	0.0367*
	(0.010)	(0.000)	(0.038)	(0.012)	(0.325)	(0.014)
Duration squared	-0.00455*	-0.0009**	-0.0048*	-0.0008*	-0.0028	-0.0009
	(0.014)	(0.003)	(0.026)	(0.024)	(0.491)	(0.097)
Urban	0.00343	0.0757	0.102	0.0424	-0.0509	0.0972
	(0.987)	(0.075)	(0.728)	(0.429)	(0.877)	(0.097)
HH Asset	-0.320*	0.0600*	-0.379*	0.0650*	-0.176	0.0378
	(0.013)	(0.016)	(0.024)	(0.036)	(0.393)	(0.269)
Logpcexp	0.361***	0.00663	0.336*	-0.00646	0.410**	0.0183
	(0.000)	(0.725)	(0.014)	(0.800)	(0.002)	(0.421)
HH size	0.0844*	0.00787	0.0591	0.00736	0.142*	0.00602
	(0.012)	(0.230)	(0.170)	(0.364)	(0.011)	(0.520)
OECD	0.784***	0.210***				
	(0.001)	(0.000)				
Africa & Others	0.755*	0.0318				
	(0.025)	(0.581)				
Send Money						
Duration	0.0859***	0.0338***	0.0715*	0.0282*	0.118*	0.0367*
	(0.000)	(0.000)	(0.012)	(0.012)	(0.015)	(0.014)
Duration squared	-0.00229**	-0.0009**	-0.00203*	-0.0008*	-0.0029	-0.0009
	(0.003)	(0.003)	(0.024)	(0.024)	(0.097)	(0.097)

Urban	0.193	0.0757	0.107	0.0424	0.310	0.0972
	(0.076)	(0.075)	(0.430)	(0.429)	(0.095)	(0.097)
HH asset	0.153*	0.0600*	0.165*	0.0650*	0.122	0.0378
	(0.016)	(0.016)	(0.036)	(0.036)	(0.270)	(0.269)
Live alone	0.0186	0.00731	0.0673	0.0266	-0.0733	-0.0228
	(0.854)	(0.854)	(0.601)	(0.601)	(0.670)	(0.672)
Logpcexp	0.0169	0.00663	-0.0164	-0.00646	0.0588	0.0183
	(0.725)	(0.725)	(0.800)	(0.800)	(0.421)	(0.421)
HH size	0.0200	0.00787	0.0186	0.00736	0.0194	0.00602
	(0.229)	(0.230)	(0.364)	(0.364)	(0.521)	(0.520)
OECD	0.559***	0.210***				
	(0.000)	(0.000)				
Africa & Others	0.0815	0.0318				
	(0.583)	(0.581)				
Highest Edu B4	0.0931**	0.0366**	0.116**	0.0457**	0.0583	0.0181
	(0.003)	(0.003)	(0.003)	(0.003)	(0.331)	(0.331)
Sex	-0.268*	-0.106*	-0.302*	-0.119*	-0.116	-0.0360
	(0.018)	(0.018)	(0.032)	(0.032)	(0.568)	(0.568)
Age	0.0190**	0.00748**	0.0237**	0.00936**	0.0147	0.00456
	(0.004)	(0.004)	(0.003)	(0.003)	(0.250)	(0.252)
Head or Spouse	0.226	0.0868	0.346	0.137	-0.00699	-0.00217
	(0.395)	(0.379)	(0.308)	(0.302)	(0.987)	(0.987)
Son, Daughter, Father	0.664***	0.256***	0.794***	0.305***	0.551*	0.167**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.011)	(0.008)
Brother, Sister	-0.152	-0.0599	-0.0445	-0.0176	-0.248	-0.0797
	(0.283)	(0.284)	(0.816)	(0.816)	(0.256)	(0.270)
Paid Full-Time	1.935***	0.643***	2.032***	0.687***	1.761***	0.523***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Paid Part-Time	2.070***	0.462***	1.667***	0.505***	2.265***	0.324***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Self-Employed	1.493***	0.489***	1.597***	0.570***	1.026***	0.245***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Mills Lambda	-0.471		-0.646		-0.0643	
	(0.149)		(0.098)		(0.906)	
Observations	1107	1107	707	707	400	400
Censored Obs.	477	477	359	359	118	118
Lambda	-0.471	-0.471	-0.646	-0.646	-0.0643	-0.0643
S.E Lambda	0.327	0.327	0.390	0.390	0.545	0.545
Sigma	2.495	2.495	2.478	2.478	2.506	2.506
Rho	-0.189	-0.189	-0.261	-0.261	-0.0257	-0.0257

Marginal effects; p-values in parentheses, (d) for discrete change of dummy variable from 0 to 1 and * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Generally, the results indicate that one additional level of completed education before migration increases significantly both the probability of sending money and amount sent by about 24% for the Tobit and increases the likelihood of sending money by about 6% from the Heckman estimates. This is true for domestic remittances and not the case for international remittance inflows. International remittances may not be influenced much by education because most migrants in OECD countries are not in high profile jobs that requires a certain level of educational qualifications. Also, female migrants overall, have about 59% lower probability of remitting money compared to the male counterparts. These findings are consistent with the argument in the literature that male migrants have higher potential to inherit and as a result are more likely to remit more in order to maintain family ties. Overall, age increases the probability of sending remittances and the amount sent by about 5%. When decomposed into domestic and international remittances age increases the probability of domestic migration by 4.5% and that of international remittances by 7.4%. The marginal effects, though similar in terms of statistical significance, are smaller in the Heckman estimates. One would argue that older migrants especially those living abroad may have higher potential to remit probability due to increasing desire to return home. Such higher remittances may be invested in buildings, landed property and other investment on which the migrant will retire. Being a member of the household immediate family increases the likelihood of remitting money significantly. For example, the Heckman estimates show that being a son, daughter or father to the household head increases the likelihood of remittance by about 31% for domestic migrants and about 17% for migrants living abroad. The marginal effects are also statistically significant in Tobit estimates. This may be attributed to altruistic motive for remitting money.

Furthermore, the results show that migrant that are in full-time paid employment, part-time paid employment and self-employed significantly increase the probability of remitting money as well as the amount remitted relative to those who are unemployed (including full time students). However, those on part-time employment have higher probability of remitting than those in paid full-time employment or self-employment. This might be attributed to the belief that part-time workers combine different kinds of employment and consequently work longer hours and hence more likely to send more relative to migrants in other kinds of employment. Another reason why part time migrant workers remit more than other migrants is that they have higher potential to return home in future than those in full-time employment and in self-employment, and as a result must remit more money for acquisition of assets that would serve as a cushion upon their return.

The policy implications of our findings are that determinants of total remittances inflow to Nigeria from other countries especially the USA and EU in future, will depend to a large extend on the characteristics of the people migrating and the country of destination. In other words, the more educated the migrants the better will be the prospects of future remittances to the country. Moreover, the future of labor market and macroeconomic conditions in the country of residence will affect the occupational characteristics of the migrants and hence their capacity to remit. Internal remittances in the future would largely depend also on the occupational and educational characteristics of the migrants. Though the government of Nigerian may have little or no control over the country of destination, sound policies on migration can influence the pattern of migration. This could be through improved diplomatic and bilateral ties with most OECD countries. Similarly, an improvement in the quality of education generally, would help ensure that majority of the migrants' would at least attain a certain level of schooling prior to migrating. The higher the level of education, the higher will be the job prospects of the migrants and the likelihood of remitting more since education plays a significant role in the remittances behavior of migrants.

V.5 Workshops Communicate

Research has no worth when those for whom it is intended do not get to know the results. Towards this end, one key objective of the study was to influence country specific and regional-based migration policies through internal seminars, workshops and conferences. The planned seminars, workshops and conferences as articulated in the proposed study plan and MOCs were:

- Two workshops in each country, one to launch the project, and one to discuss and disseminate findings;
- Three regional project workshops, one to gather country study researchers together and discuss research strategy, one to review progress with the country studies, and one to present the project's findings;
- At least two internal seminars to widely disseminate interim and final reports and to solicit feedback from the academia and the public;
- At least three round table discussions with key project stakeholders; and,
- Participation of researchers in at least three international conferences where the output of the research project will be presented.

So far, all the components of the planned workshop communication have been realized by CDAR except one planned round table discussion[14]. Firstly, concerning the two in-country specific workshops, two important country specific workshops have been held in Nigeria to help distill the expected outputs of the study. The first country workshop was held on the 10th of February, 2011 at Institute of Education Hall, University of Nigeria, Nsukka, Nigeria, to launch the project. It was well attended with respect to targeted stakeholders. In attendance were two representatives sent by the Central Bank of Nigeria (CBN), one from the National Bureau of Statistics (NBS), one each from the IOM and ECOWAS, one from Nigeria Immigration Service , two from the civil society organizations (CSOs) working on migration issues in Nigeria (NOMRA), seven from the banking sector, and others from academic institutions in Nigeria.

The workshop started with a project overview by the project leader (Dr. William M. Fonta), outlining the purpose of the study, and the role expected of the stakeholders in executing the project. This was followed by policy brain storming session between the study team and the stakeholders. Thereafter, the survey instrument prepared by the Institute for the Advanced Study (IIAS), Accra, Ghana, was presented for further inputs and modification by the stakeholders. This lasted for over three hours as country specific

[14] To be held after all final policy briefs of the participating institutions have been prepared.

issues were introduced into the design mostly from the CBN team and the NBS. The final outcomes of the inception workshop are as follows:

- The stakeholders present at the workshop will serve as the **"Sector Planning Committee"** (SPC) and charged with the following responsibility: The collation of high level policy documents on migration from official sources such as government agencies, ministries and departments; ECOWAS and other regional institutions working on migration; serve as moderators during workshops, conferences, policy briefings and round-table discussions etc; appointment of external examiners to review progress reports and final reports; liaise with the researchers and the public when notified to organize project workshops and conferences; perform the role of external oversight over project execution and evaluation; provide new leads and direction especially on policy dimensions to help improve the project outputs, outcomes and the dissemination strategies.

- Representatives from the various banks agreed to assist the study team in facilitating the conduct of the "Exit Survey' of Western Union and Money Gram receivers in their respective banks. Also, where necessary; they will assist in preparing cover letters to assist the enlisted enumerators to elicit vital remittances information from bank customers during working hours.

- The NBS agreed to assist the team during the drafting stage of the household survey instruments with important inputs and direction since; it was in line with their research focus. The team from the NBS equally brought a sample of remittances questions extracted from their on-going national household survey for adoption and modification by the CDAR team.

- ECOWAS and the IOM agreed and promised to organize the first round table discussions in Abuja, Nigeria, to brainstorm on the preliminary findings and where necessary; to suggest new policy angles and directions to the team.

- CBN was particularly interested in the possible findings of end-use of remittances and agreed to discuss the initial findings in a round table discussion with the research team and the bank.

The picture shown below was taken during the inception workshop with some of the policy stakeholders in attendance. This included: Mr. Tony Elumelu of ECOWAS; Mrs. Omolara Duke, Assistant Director, Central Bank of Nigeria; Mr. Jude Ugwunkwo of the Diamond Bank Plc. Nigeria; Mr. Ubong S. Udoette, Principal Economist, Central Bank of Nigeria; Dr Dupe Kuteyi, Network of Migration Research on Africa (NOMRA); J.O. Ezeh, Economist, Central Bank of Nigeria; Augustine Ofunne, National Bureau of Statistics, Head Office, Abuja; Eze Onyekpere, Lead Director, Center for Social Justice; Mr. Stan Ukeje, Assistant Director, Central Bank of Nigeria; Ms. Aremu Adesola, Assistant Economist, Central Bank of Nigeria and Omoyemi S. Tunde, Migration Data Assistant, IOM, Nigeria Office.

Figure 8: Participants at CDAR Inception Workshop, February 10th 2011

The second country workshop was held on Thursday, 10th May, 2012 at Crystal Palace Hotel, Abuja, Nigeria, to discuss and disseminate important project findings of the study. Over 50 participants[15] were present at the workshop that commenced at 11.00 am. The workshop was introduced by Mr. Jude O. Chukwu of the CDAR while; the welcome address was read by Professor Cletus C. Agu, Director of CDAR. Thereafter, five important papers were presented namely;

- An Overview of the IRPI-TWAC project by O.E. Onyukwu;
- End Use of Remittances by Rev. Fr. Dr H.E. Ichoku & Dr Innocent Ifelunni ;
- Remittances, Poverty and Income Distribution in Nigeria by Emma Nwosu;
- Evaluating Current Migration Laws and Policies in Nigeria by J.O.Chukwu; and,
- International Remittances and Household Expenditure Patterns: Case of Anambra and Enugu States of Nigeria by Denis Nfor Yuni (MScBeneficiary).

Many important policy lessons and suggestions concerning the separate components of the project were offered by the workshop participants[16]. All these issues have now been incorporated into the final technical report. Furthermore, The Workshop activities were reported as News ITEMS in three major National dailies namely: The Daily Sun of Friday, 11th May 2012, The Guardian Newspaper and the Tribune Newspaper. The picture shown below was taken during the project dissemination workshop at Abuja on Thursday, 10th May, 2012. In attendance were: Dr Yisa Awoyinka, EU-Officer on Migration, National Planning Commission; Adeniji Adeyemo, Fed. Ministry of Labour & Prod./Consultant,

[15] See appendix for list of participants and the center's website.
[16] All the workshop communications are hosted on the project website.

Human Development; Mrs. Omolara Duke, Assistant Director, Central Bank of Nigeria; Mr. Stan Ukeje, Assistant Director, Central Bank of Nigeria; Ms. Aremu Adesola, Assistant Economist, Central Bank of Nigeria; Omoyemi S. Tunde, Migration Data Assistant, IOM, Nigeria; Ms. Adaeze Molokwu, Programme Assistant, IOM, Nigeria; Professor Okey Ibeanu, Expert on Refugees and Internally Displaced Persons/Political Scientist/Currently Technical Adviser to INEC, Abuja; Professor (Mrs.) Sarah Anyanwu, Department of Economics, University of Abuja; Dr Ebere Uneze, Ag. Exc. Director, Centre for the Study of the Economies of Africa; Mr. Mathew Ayoola, Editor/Reporter, Radio Nigeria, Abuja; Mr. C. Uba, Finance/Accounts Manager, African Institute for Applied Economics; Dr. Dupe Kuteyi, Network of Migration Research on Africa (NOMRA); Augustine Ofunne, National Bureau of Statistics, Head Office, Abuja; Eze Onyekpere, Lead Director/Project Legal Consultant, Center for Social Justice (CSJ), Abuja, Nigeria.

Figure 9: Participants at CDAR Dissemination Workshop, May 10th 2012, Abuja.

Figure 10: CDAR Director, Prof. C.C. Agu, Prof. Okey Ibanu and Mrs. Duke of CBN

Figure 11: Mr. Tunde and Ms. Adaeze Molokwu of the IOM, Abuja, Nigeria.

Figure 12: Mrs. Duke of the CBN Discussion at the Final Project Workshop at Abuja

Figure 13: Mr. Stan Ukeje of the CBN Discussing at the Abuja Workshop

Secondly, concerning the regional project workshops specifically designed to discuss the research strategies (Ghana), to review progress with each of the country study (Ivory Coast), and to present the project's findings (Nigeria later changed to Ivory Coast), all were organized as planned. The first regional workshop was held at the University of Ghana, Legon Campus, from December 6th to 10th, 2010, to gather the three project leaders to discuss the study research strategies. Present at the workshop were; Dr. Martha Melesse, Senior Program Officer of the IDRC and the new IDRC responsible Officer for the Project at that time and representatives from the Central Bank of Ghana, IOM-Ghana, DMBs representatives from Ghana, academics from the University of Ghana and two graduate students working on migration.

The outcomes of the regional project workshop are as follows:

A. The Agreed Work Plan for the Project:

- The first phase of the project will cover the following detailed activities scheduled for presentation to IDRC on or before June 30th 2011.

- State of the art policy reviews of issues of migration in each respective country, emphasizing what each institution perceived to be important issues and research gaps that should be addressed by the project. The proposed approach aggreed by the team leaders was to attach graduate students for the review.

- Review of current migration laws in the three respective countries and possible recommendations for improving such laws if necessary. The project leaders agreed that for Nigeria and Cote d'Ivoirewithout legal team members in their team composition, such services should be sourced from outside the team.

- Launching of the project specifically to get stakeholders involved and most importantly, to solicit feedback for the wider public concerning the way forward. We all agreed that this should take place on or before March 31st 2011 although that for Ghana was merged alongside our inception meeting.

- Procedure for carrying out the first phase of the Exit Survey involving the Western Union and Money Gram operating facilities in the three countries involved.

- The three country team agreed that IIAS would take the lead in implementing the first pilot survey prior to CDAR and CIRES. Reason being that IIAS had done a similar exercise in the past and would therefore provide the necessary policy lead. The sample size was to be determined by IIAS that was also responsible for designing the survey instrument. The end result of this is to prepare a common methodological paper for the three countries on the end uses of remittances and its redistributive implications on household welfare.

- Analysis of 2004 NLSS to examine the distributional implications of international remittances on poverty and income inequality in Nigeria.

B. *Criteria for Selecting Graduate Students for the Project (Ph.D/MSc).*

- The selection should be based on previous academic performance and interest on demographic issues. The students need not be working on the exact components of the project for their respective project/thesis but on some related issues bearing resemblance to the project. The PhD student will have the opportunity of paying a short academic visit to either Ghana or Ivory Coast, while those of the other two centers will equally visit Nigeria. To ensure quality control in their respective project/thesis, all team members will participate in the supervision at the micro level.

C. *Other Survey Logistics.*

- The team agreed that some budget headings and specific line items in the initial work plan be revisited with the new IDRC responsible officer. Dr. Melesse therefore agreed to take up these issues with the project leader in subsequent correspondences during the course of the project. Also, she emphasized that we have the liberty of adjusting the work plan to suit our immediate needs.

- The last three days of the workshop were mainly spent reviewing the project objectives, survey instrument, brain storming and research visits to the two main districts in Ghana where pilot survey will be conducted. Finally, it was agreed that Ghana will join Nigeria and Cote d'Ivoireto analyze objective two of the project contrary to the initial work plan by IDRC.

The second regional project workshop was held at CIRES Abidjan, Cote D'Ivoire from July 2 to 3, 2012. The Workshop was well attended by many stakeholders. The workshop opened with welcome address and ceremonies by the following: Dr Ibrahim Diarra, Director of CIRES; Dr Flaubert Mbiekop, charge de programme CRDI, Dakar, Senegal; Prof. Mama Quattara, University of Cocody, Abidjan, Cote d'Ivoire. The following papers were presented:

- Remittances and Poverty: Who benefits in the household? By Sylvie Lambert (Paris School of Economics, France).
- Remittance, Consumption Investment in Nsawam Southern Ghana by Prof. Emmanuel Akyempong, IIAS.
- The Distributional and End-Use Impacts of International Remittances in Nigeria: Lessons and Policy Implications by Prof C.C. Agu, Center for Demographic and Allied Research (CDAR), Department of Economics, University of Nigeria, Nsukka.
- Effets moyens des transferts sur la pauvrete et les-inegalites en cote d 'ivoire: Une Analyse a partir des techniques d'appariement by Alban AE Ahoure, Director de la CAPEC.

These papers were exhaustively discussed and some important suggestions were offered as the way forward by the IDRC project consultant, Prof. Sylvie Lambert of the Paris School of Economics, France[17].

[17] For more details on the Abidjan workshop communicate, see CIRES website.

The final regional workshop was equally held at the Centre Ivoirien de Recherches Economiques et Sociales (CIRES), Universite de Cocody-Abidjan from December 18^{th} to 19^{th}, 2012. The primary purpose of the workshop was for country teams to report on their final phase research activities and output and to plan jointly for the next steps, particularly with respect to the research dissemination phase. However, it further created a platform for presentation of working papers from team members and other researchers working in the area of migration and remittances. The three country teams were fully represented at the two-day event and paper presentations were made by several team members and other researchers invited from Cote d'Ivoire, Mali and Morocco. For details of the papers presented at the workshop, see the attached programme of events at the CIRES website.

CIRES, the host of the workshop, was able to attract the participation of relevant national institutions like the Ivorian Ministry of Integration, the Ministry of Finance as well as the regional institutions like the ECOWAS. This close collaboration between the Ministry of Integration and CIRES on the project was commended by the IDRC Programme Officer overseeing the project, Dr Flaubert Mbiekop. At the end of the two-day workshop, the three-country teams held a meeting at Ibis Plateau Hotel, which was chaired by Prof Emmanuel Akyeampong. The purpose of the meeting was for the teams to jointly plan about the project's next steps, which focused on the dissemination of the project's results.

- The chair of the meeting reminded country teams of the necessity to finalise and submit their technical and financial reports to IDRC by the end of December, 2012 or at the latest first week of January, 2013.

- It was agreed that project results dissemination will comprise of the integrative report to be published as a special edition of a reputable journal using Prof Emmanuel's network, a set of policy briefs and the posting of all the project's outputs on each country's updated websites with hyperlinks connecting the three collaborating institutions.

- It was equally agreed that the three country teams should adopt a common format and theme to report on the final outputs of the project for the integrative report. Although it was agreed that each country report should contain the legal and institutional context of migration and remittances in the country, the results of the exit poll and the household survey, the principal investigator, Dr. William Fonta is requested to develop the draft title of the country papers as well as their detailed format of presentation. It is expected that the first draft of the country papers should be submitted to Prof Akyeampong, who will serve the volume editor of the Journal in which the reports will be published as a special edition by the end of January, 2013.

- It is expected that each country team will extract a set of policy briefs from the project's final reports, which will be sent to IDRC and used for advocacy for policy uptake with relevant national agencies.

- As pointed out earlier, it is expected that each country team shall upgrade their project website and post all the necessary project outputs in term of working papers and policy briefs as well as create links from their websites to other partner institutions.

Thirdly, with respect to the internal seminars that were specifically built into the project to widely disseminate interim and final reports, and to solicit feedback from the academia and the public, CDAR has hosted two internal seminars. The first seminar was held at the CDAR conference room, Department of Economics, University of Nigeria, Nsukka on the 20th of September 2011, while the second seminar took place at the same venue on the 30th of October, 2012. Policy briefs were circulated and discussed alongside the key milestones of the project. Also, the two direct beneficiaries of the project Yuni Denis (MSc) and Urama Nathanial (PhD) presented the progress report of their studies. Both seminars were well attended by post graduate students of the department, regional institutions working on migration and related issues, and academics of other leading institutions around the South-East zone in Nigeria.

Fourthly, concerning the three planned round-table discussions with key project stakeholders, so far, two have been held by CDAR. The first round-table discussion by CDAR was held at the centre's conference room immediately after the inception workshop on February 11th 2011. Mrs. Omolara Duke, Mr. Ubong Udoette and Mr. John Eze all of the Central Bank of Nigeria promised to make available the draft CBN Questionnaire used for a similar earlier study on DMBs in Nigeria. Similarly, Dr. Dupe Kuteyi of the Network of Migration Research on Africa (NOMRA) and Mr. Augustine Ofunne of the National Bureau of Statistics (NBS) pledged to assist in their official capacity in which ever form expected of them to ensure the accomplishment of the expected research output. The second round-table discussion was held on the 12th of September 2011 to discuss the initial findings of the study and the way forward. Present at the round-table discussion were Mr. Tony Elumelu of ECOWAS who discussed the ECOWAS Common Approach to Migration Policy Issues, Mrs. Omolara Duke of the Central Bank of Nigeria, Jude Ugwunkwo of Diamond Bank Plc., Mr. Andrew Obosi of the Former Intercontinental Bank Nigeria Plc, Mrs. Ugwu Emmanuelle of Zenith Bank Nigeria Plc., Bar. Eze Onyekpere of the Centre for Social Justice Abuja (CDAR, Legal Consultant), Mr. Ubong S. Udoette of the CBN, Dr Dupe Kuteyi, NOMRA, J.O. Ezeh, Economist at the CBN, Augustine Ofunne of the NBS, Prof. Ignatius A. Madu of the Department of Geography and the Dean, Faculty of the Social Sciences, Prof. E. O. Ezeani.

The pictures presented below were taken at one of the round-table discussions. From left to right (figure 14) sitting are; Prof. C.C. Agu (Director, CDAR), Prof. N.I. Ikpeze (Team member), Prof. F.E. Onah (Team member), Mr. Onyukwu, O. Onyukwu (Team member), and Dr. William Fonta (Project Co-ordinator). Standing from right to left in Figure 15 are; Prof. Ignatius Madu of the Department of Geography, University of Nigeria, Nsukka, Mr. Jude Ugwunkwu of the Diamond Bank Plc., Mrs. Omolara Duke of the Central Bank of Nigeria, and Mr. Tony Elumelu of ECOWAS.

Figure 14: CDAR Team Members at Round-Table Discussion.

Figure 15: Policy Stakeholders at CDAR/IDRC Round-Table Discussion.

Finally, concerning the participation of team members at international conferences where the output of the research project will be presented, so far, only one of the team members was able to attend. We planned to sponsor at least two team members for any upcoming conferences.

V.6 Capacity Building and Research Strengthening

One important aspect of the study was to strengthen and build research capacity among researchers in WA to subsequently undertake high quality research on migration and remittance issues. Under this specific research objective, the proposed work plan identified were to: (i) undertaking analytical and technical workshops in different research and policy institutions of the involved countries on the analysis of international migration and issues of national development such as poverty, income inequality and the end use of remittances; (ii) introduce to researchers, the applications of recent statistical and econometric softwares such as STATA 11, SPSS 16 and DAD, and their role in the analysis of migration data, social and economic questions of development; and, (iii) the training of M.Sc/PhD students .

So far, items (i), (ii), and (iii) under this specific objective have been achieved to a larger extent although more work is still to be done. Specifically, CDAR internal seminars and project workshops were used to realize items (i) and (ii) as many MSc and PhD students including other researchers involved with the project are now very familiar with the use of these econometric packages. Also, Mr. Yuni Denis Nfor, the MSc beneficiary has successfully completed his MSc degree with distinction. He made extensive use of the household field survey data and equally benefitted from extensive participation in both the internal seminars, round-table discussions and the final project workshop held at Abuja. Similarly, three PhD candidates benefitted extensively from the project (i.e., Emmanuel Nwosu, Urama Nathaniel, and Jude Chukwu). While, Jude O. Chukwu worked on the stakeholders' interviews and current migration laws and policies in Nigeria, Urama Nathaniel worked on the state of art review of literature, and Emmanuel Nwosu was responsible for statistical data analysis and the training of other indirect beneficiaries (i.e., undergraduate and postgraduate students) on statistical analysis. At present, five MSc and six undergraduate students (i.e., indirect beneficiaries) working on remittances both at the micro/macro levels have been fully trained on the use of STATA 11, SPSS 16 and DAD to analyze migration data by Emmanuel Nwosu.

VI. POLICY IMPLICATIONS AND PRACTICE

The main policy finding of the study is that remittances income has an important role to play in alleviating poverty in urban and rural Nigeria by supplementing household income expenditure in the areas of consumption, education, healthcare, building projects and business ventures.

However, for international remittances to be an effective poverty reducing and income redistributive tool in Nigeria Firstly, the FGN needs to improve the remittance environment in the country. This could be facilitated by formalizing and enacting into law the new draft 'National Migration Policy' (NMP), which is the overall platform for remittance regulation in Nigeria. It could also be improved by strictly enforcing the Central Bank of Nigeria (CBN) circulars BSD/DIR/CIR/GEN/VOL.2/017 of 20 November 2008 and BSD/DO/CIR/GEN/V.2/012 of 17 December 2008 that articulated general guidelines on electronic banking including remittances to all deposit money banks (DMBs) and international money transfer operators (MTOs) in Nigeria. Equally, the DMBs and MTOs can improve remittances inflow through banks and MTOs by; (i) making transfers simple to process, (ii) reducing the cost of sending remittances/transfer charges, (iii) hosting of banks' swift code on banks' websites for easy access to senders, (iv) direct account lodgments like in the case of **RIA** money transfer facility, (v) removing restrictions on maximum amount an individual can receive, (vi) ensuring prompt and efficient services to recipients, (vii) ensuring network availability at all time, (viii) (viii) ensuring new and better technology platforms for remittances such as mobile banking or E-transfer products, (ix) integrating informal transfer organizations into the formal system, and (x) supporting market access of domestic banks into corridors of high concentration of Nigerian diaspora.

Secondly, increasing spending on capital development projects that have direct impact on health, education, infrastructure, transport, commerce and communication in Nigeria, would invariably increase the contributions of remittances to national development. For example, the study found that a significant part of remittances inflow into Nigeria are mainly used for the purpose of catering for those left behind particularly in the areas of household consumption, education and health. Improving capital spending in these critical areas will invariably reduce remittances spending by households in these areas hence, increasing the multiplier effects of remittances in other key areas such as investment in assets like land, building, business etc. With higher investment in assets holding, households can access better credit facilities from banks and other financial institutions as well as development associations in their localities. Similarly, when households invest they make more money and open bank accounts thus, creating a business relationship with the bank. Through this process, confidence is built between banks and the households for other servicing including credit, which multiply households' liquidity available to invest.

Thirdly, the Federal, State and Local Government Areas (LGAs) in Nigeria could equally facilitate community-based development efforts by introducing similar packages such as the Mexican *tre por uno program.* For every dollar put up by a Mexican migrant association in the US, the Federal, State and Local Government Areas (LGAs) in Mexico, matches it up with an additional dollar thus, trippling up the funding made available by remittances for development projects back home. The '*tre por uno*' program has therefore supported a host of community development projects in Mexico in the areas of water, infrastructure, sanitation, rural electrification etc (Taylor, 2006). Given the volume of remittances inflow into Nigeria and the stock of emigrants with the top destination countries being the United States, the United Kingdom, Chad, Cameroon, Italy, Benin Republic, Côte d'Ivoire, Spain, Sudan, and Niger Republic respectively, introducing the Mexican type program will certainly have a significant impact on national development.

Fourthly with Nigeria being among the top ten remittances destination country, tapping into the idea of 'Diaspora Bonds' financing will not only foster national, regional and community development local development in Nigeria, but will equally involve Nigerians in diaspora in the political development of the nation. Diaspora bonds represent a debt instrument issued by a country or, potentially, by a sub-sovereign entity or a private corporation to raise financing from its overseas diaspora (Ratha et al., 2008). By introducing such financing strategy, the government of Nigeria can involve the overseas Nigerian community in the country's socioeconomic and political development and reduce its budgetary and credit constraints.

The government can also promote remittances investment at home by offering Nigerian migrants various incentives to attract investment. This could be through tax rebates in the important of capital equipment and business facilitation as the case with several Latin American and Asian countries. It could equally take the form of Export Promotion Zones especially for migrant investors. This has been tried in Pakistan, which is now a story of success (Mughal, 2012).

V.II PROJECT OUTPUTS

As indicated earlier, research has no worth when those for whom it is intended do not get to know the results. To this end, one important aspect of the three country project was to produce achievable outputs within and after the project life span. The following research outputs were envisaged at the end of the project.

1. 2 workshops in each country, one to launch the project, and one to discuss and disseminate findings.

2. 3 regional project workshops, one to gather country study researchers together and discuss research strategy, one to review progress with the country studies, and one to present the project's findings.

3. A number of briefing papers exploring the: (i) Conceptualization and mapping of the impacts of migration on development, (ii) Methodologies for assessing the end use of remittances, migration policy review and wider country study analysis on poverty and income inequality, (iii) Incentive packages introduced by many Asian and Latin American countries to improve the development impact of remittance flows such influencing how remittances are used, introduction of saving mobilization packages such as foreign currency dominated bonds, creation of instruments for legal identity regardless of migrant legal status etc.

4. 3 new country data set on the end-use of remittances as well as stakeholders' opinions on the impacts of migration on national development for both sending and receiving countries.

5. Well documented and systematic information on policy and institutional arrangements concerning migration and international remittances in the countries involved, patterns and trends of international migration and remittances in these countries, which will be published as policy reviews.

6. At least three research papers published in international peer reviewed journal, and a monograph on international migration and remittances in West Africa.

7. Participation of researchers in at least three international conferences where the output of the research project will be presented.

8. An integrative report highlighting the findings of the studies woven as an informative reference on migration and development issues in West Africa, which is expected to improve the finalization of ECOWAS Poverty Reduction Strategy Paper.

Research Outputs Achievable

The first and second outputs were all achieved as extensively discussed under section V.5 that addresses the workshop communication. The third project output has been partially achieved through CDAR policy briefs no. 1 and 2 of September, 2011 and April, 2012 (see appendix). These policy briefs were widely circulated and discussed during CDAR round-table discussions, internal workshops and the regional workshops. It was equally hosted at the project website, which elicited a lot of feedbacks from policy stakeholders. The CBN requested for over 100 copies during an internal seminar at the CBN. Currently, the three project leaders are working on items (ii) and (iii) of the third planned output as was agreed at the final regional workshop, held in CIRES, Abidjan. These would include a short report (policy brief) based on the 3-country study with explicit policy recommendations that would be widely circulated to policy makers, a collection of articles from each of the three countries that would feature as a special issue in a journal alongside a collaborative article that will review legal and policy frameworks (national and ECOWAS), results of exit survey, and results of household survey in the three countries. Prof. Emmanuel Akyeampong of the Harvard University in the USA (Team Leader, Ghana), is currently making arrangements to place the issue in an international journal of development studies, such as the Journal of Developing Economies or the Journal of African Development. The time frame for these outputs as agreed at the final regional workshop in Abidjan is the 31st of January, 2013.

Each of the three countries now has a rich database on the end uses of remittances (both from the exit and household surveys), as well as stakeholders' opinions of the impacts of migration on national development as articulated in output number 4. That for CDAR comprises of a total of 441 household survey data on migrant and non-migrant households, 697 end users of remittances in Nigeria, and 200 stakeholders policy responses. Each of the databases was extensively used in preparing the final technical report and will be hosted on the project website of the three respective countries for interested users.

After receiving IDRC comments and suggestions on the final technical reports of the three participating institutions, each institution will publish its technical report as a research monograph as outlined in output number 5. Thereafter, a book of reading would be published comprising of the three-country reports.

So far, CDAR has distilled and published one paper from the project in international peer-reviewed journals. Two are under review. These include:

1. Fonta, M.W., O.E. Onyukwu, and E.O. Nwosu, (2011), 'International Remittance Inflows and Household Welfare: Empirical Evidence from Nigeria', ***Research Journal of Finance and Accounting***, Vol. 2(3):140-149.

2. W.M. Fonta, O. E. Onyukwu, E.O. Nwosu, and D. N. Yuni, (2012), 'Microeconomic Determinants of Migrant Remittances to Nigerian Households', Submitted to *Economics Bulletin,* in 2012.

3. Fonta, M.W., O.E. Onyukwu, and C. C. Agu, 'The Distributional and End-Use Impacts of International Remittances in Nigeria: Lessons and Policy Implications', Submitted to *Migration Letters* in 2011.

No team member at CDAR has been able to participate in an international workshop outside Nigeria to disseminate project findings. The only workshop participations have been at the three regional project workshops held in Ghana and Cote D'Ivoire where papers were presented. We are currently making plans for at least two team members to participate in two international workshops in 2013. We therefore expect full workshop participations for our team members in 2013.

Finally, the project leaders are currently working on an integrative report that will highlight the findings of the studies to feature as a special issue in a development journal. We equally plan to publish a book of readings on migration involving all three countries. The Project leader is working on the tentative outline of the book of readings for the three countries.

V.III PROJECT OUTCOMES

Firstly, the most innovative and successful strategy of the project was the gathering of prospective users of research outputs (policy makers, representatives of national embassies, UN agencies and representatives of governments involved in migration management, ECOWAS officials, national bureau of statistics, DMBs, MTOs, IOM, diaspora associations and representatives of the CSOs working on issues concerning migration), into a Sector Planning Committee (SPC), which served as an important linkage between the academia and the prospective end users of the research outputs. Through this approach, the country teams were able to communicate important research findings to the wider public as well as receiving feedback from the public. Also, the involvement of the prospective end users of the research outputs through policy dialogues (interactive stakeholders' interviews), ushered to the forefront important policy options for fostering migration and national development in the three respective countries. These two components were the most significant outcomes of the project that were perceived to have an effect on policy making.

Secondly, the use of internal seminars and round-table discussions to discuss, solicit feedbacks and for the dissemination of project outputs, were believed to have significant impacts on capacity development amongst graduate students, stakeholders and the academia in general. So far, CDAR internal seminars were able to indirectly influence five MSc and six undergraduate students, to effectively carry out and complete their studies on different aspects of remittances inflow into Nigeria. These students are likely to be future policy makers in different organizations in Nigeria. Also, some of the statistical modules that were developed and used during the course of the project, are now being used to teach graduate students in the areas of development economics and econometrics by two team members Onyukwu, E. Onyukwu and Emmanuel Nwosu.

Thirdly, the project has successfully expanded the research network of all the involved institutions. The project co-ordinator was able to spend a one year sabbatical leave at the United Nations University Institute for Natural Resources in Africa (UNU-INRA) at the University of Ghana Campus, Legon-Ghana, courtesy of UNU-INRA Director Dr. Elias Ayuk, the former Senior Programme Officer of IDRC. Incidentally, UNU-INRA shares same building with IIAS, Accra, Ghana. Thus, it was possible for the project co-ordinator to interact on daily basis with the staff of IIAS and to monitor the progress of IIAS with respect to the project. Also, the involvement of the prospective end users of the project through the SPC has significantly broadened the policy network of the institutions. CDAR is currently negotiating with the CBN to mount a graduate training program in statistical data analysis for policy makers courtesy of one of the SPC member. Furthermore, CDAR has plans of organizing an exchange visiting fellowship to CIRES and IIAS for some of its graduate students in 2013.

Fourthly, in terms of research training, three PhD and one MSc. students are the direct beneficiaries of the project. Mr. Yuni D. Nfor was the direct MSc beneficiary. The project paid for his entire MSc program and he also made extensive use of the household survey dataset for MSc thesis. He equally benefitted from extensive mentoring from several of the team members and participated and presented his work at the final project dissemination workshop in Abuja (Figure 16). He is currently working on a research output titled 'International Remittances and Household Expenditure Patterns: A Case Study of Enugu and Anambra States of Nigeria', jointly with the project leader and two other team members. He is also the co-author of one of the articles in the *Economics Bulletin*.

Figure 16: Mr. Yuni D. Nfor (MSc. Beneficiary) Presenting at Final Workshop in Abuja

The three PhD beneficiaries were; Mr. Jude O. Chukwu who coordinated the stakeholders' interviews, current migration laws and policies in Nigeria and facilitated the project workshops, Mr. Urama Nathaniel that was in charge of the state of art review of literature on migration and remittances, and Mr. Emmanuel Nwosu who was directly responsible for the statistical data analysis of the study, and the training of other indirect beneficiaries. All have shown significant capacity development at the end of the project. Mr. Chukwu has sent out two papers for review in the *West African Economic Review* and the *Africa Spectrum*, while Mr. Nwosu is a co-author of two of the papers distilled from the project.

Figure 17: Mr. Jude Chukwu (PhD Beneficiary) Presentation at Final Workshop, Abuja

IX. OVERALL PROJECT ASSESSMENT AND RECOMMENDATIONS

Firstly, as earlier indicated; the process of gathering prospective end users of the research outputs into the project planning committee, constituted a very innovative step that bridged the well-known gap between research output and policy making. Through this approach, the country teams were able to input the policy makers' viewpoints into the research project while at the same time, accessing very important policy documentations which would have otherwise not been possible. Equally, the symbiotic process ensured that there was no information asymmetry between project outputs and policy dissemination. Similarly, the equal engagement of the prospective end users of the research outputs through policy dialogues (interactive stakeholders' interviews and roundtables), ushered to the forefront research-evidence based policy outcomes findings that again, would not have been obtained through pure academic research work. These two aspects of the project design were quite innovative and believed to have had the most significant impact on the overall performance and quality of the project in the three respective countries.

Secondly, the use of seminars, round-table discussions, internal and regional workshops as an integral part of the project to review, communicate, disseminate and solicit policy feedbacks from the general public, proved a very significant 'migration policy trigger' in the sub-region and the countries involved .

Thirdly, the aspect of training and capacity building of graduate students as an integral part of the project as demanded by IDRC is quite enlightening and must be commended. It has succeeded in the training of a pool of highly qualified and skilled young researchers needed in the future. The graduate beneficiaries can now write better proposals and articles necessary for their career development.

Fourthly, the process of encouraging regional-based studies by IDRC has not only succeeded in enlarging the network of the participating institutions but, it has equally succeeded in expanding the respective network of the individual researchers.

Fifthly, the interdisciplinary team composition of most IDRC funded-projects encourages learning-by- doing as well as the cross-pollination of ideas from different disciplines. In this particular IDRC funded project, Economists were able to learn from Sociologists, Geographers, Statisticians and Historians especially in the areas of focus group discussions and the use of ethnographic and statistical surveys. On the other hand, the Historians and Lawyers that participated in the study were able to learn from the Economists statistical data analysis and policy formulation. The general idea of involving stakeholders in a policy dialogue with the researchers originated from the Economists, while that of incorporating ethnographic surveys into the study, originated from the Historians and Sociologists.

Taken all together, the process of designing IDRC funded-projects from the concept note to the proposal, the approval, the technical inputs from IDRC staff, project financing, reporting and monitoring, are sufficient enough for capacity development and strengthening of research institutions and researchers. The initial idea of this project started in 2007 and was finally approved in October 2010, after the IDRC was satisfied that the project would play a key role in influencing migration policy in the West African Region. Part of the delay was because the initial concept note was submitted only for Nigeria. However, after serious consideration and discussions with the project leader, IDRC was able to identify the other two participating institutions (IIAS and CIRES) hence, making it a three country project. Supporting funds were provided for the three leaders to meet in Accra, Ghana to develop a final regional proposal that was eventually approved. In sum, the research strategies that were adopted by the IDRC for this particular project were very innovative, enlightening and greatly appreciated. As beneficiaries, we strongly encourage such approach for capacity development in research. Equally, some of the innovative aspects of this project could also be suggested to researchers of other ongoing IDRC funded-projects.

X. THE LIMITATIONS AND CHANLENGES OF THE STUDY

Generally, although the study produced some very interesting policy and methodological findings with respect to the impacts of migrant remittances on household welfare in Nigeria, it is also important to point out some of the major challenges and limitations encountered while carrying out the studies.

Concerning the datasets used in the analyses, there were many challenges and limitations that are worth mentioning. Firstly, at the time of the analysis, only the Nigerian 2004 Living Standards Measurements Survey (NLSS) was available for used[18]. The use of 2004 NLSS data to study migration is limited in several ways. (1) The survey did not account for the characteristics of the migrants rather it focused on the characteristics of the recipient households. (2) Most of the remittances data collected were urban-rural remittances with few observations on international remittances. This therefore limits the scope of analyses that could be meaningfully done especially on the impact of international remittances on poverty and inequality in Nigeria. Secondly, because the household database used in the analyses was cross-sectional in nature, we could only measure correlations between remittances income and poverty/inequality at a point in time. For example, another competing hypothesis might be that the year observed in the household survey used was a particularly stable year that encouraged large inflow of remittances into Nigeria. This may possibly have inflated the importance of remittances in the sample. Of course, without having additional years of data across households for comparison, we cannot test this conjecture. Thus, the use of complementary datasets, were very necessary and highly relevant for comparative purposes.

Thirdly, the even the best-planned and well-executed household survey cannot be 100 percent error free. Quite apart from well-known sampling errors, inaccuracy may enter through interviewing and coding of answers. On this score, it is probable that despite the training, errors could arise from the fact that the field enumerators used in the study were mostly graduate students and not actually professionals who certainly lack the necessary experience in handling large household surveys. These weaknesses on the part of the enumerators may have perhaps introduced some elements of errors during the interviewing process. Moreover, even though at the training sessions, during debriefing and editorial meetings, the enumerators were instructed strictly to ask all applicable questions, to ask them in the order presented and with no more elucidation and probing than explicitly allowed, and to make no unauthorized variations in wordings which might result to implied value clues, the achievement of uniformity in techniques cannot be perfectly assured. In all these, the researchers are, in any case, helpless to the extent that they lack complete control over the enumerators' on the spot decision in the field with regard to the extent of probing, rephrasing of questions and mis-ordering.

On the methodological side, we equally had a number of challenges. The most important of which was how to effectively measure the impact of migrant remittances on poverty and income inequality in Nigeria. Generally, there are two methodological issues usually involved in studying the impact of migrant remittances on poverty and income inequality

[18] The 2010 Nigerian National Living Standards and Measurements Survey (NLSS) is still being process by the NBS.

(Adams et al. 2008). The first is to treat remittances as a simple exogenous transfer of income by migrants. When treated as a simple exogenous transfer, the economic question of interest is how remittances, in total or at the margin, affect the observed level of poverty and equality in a specific country (Gustafsson and Makonnen, 1993). The second is to treat remittances as a potential substitute for domestic (home) earnings (Adams, 2005 and Adams et al. 2008). If the second approach is favoured, then, the economic question of interest becomes: how does the observed level of poverty and inequality in a country compare to a counterfactual scenario without migration and remittances but including an imputation for the home earnings of migrants had those people stayed and worked at home?

Addressing the first economic question of interest in the study was relatively straight forward. This was accomplished using the FGT poverty and Gini coefficient decomposable techniques. However, addressing the second economic question of interest was quite complex and thus, caution must be exercise when interpreting the findings for policy purposes. First, it was extremely difficult to predict or estimate the incomes of migrant households on the basis of the observed incomes of non-migrant. However, just like in Adams et al. (2008), we tackled this issue in the study using a two-stage multinomial logit selection model to test for selection bias in the household receipt of remittances. Second, to ensure the exogeneity of the variables used in the specification of the selection model was not straight forward. This issue was equally addressed using an instrumental variable technique that allowed us to estimate an expenditure model to determine the impact of international remittances on poverty in Nigeria. However, contrary to our a priori expectations, we uncovered no significant impact of remittances on per capital expenditure, though households that receive remittances spend more on per capita consumption, health expenditure and on food. Also, recipients of remittances had lower poverty compared to similar households that did not received remittances but the difference is not statistically significant.

This therefore suggests that the choice of the analytical method(s) used in the analysis to a large extent influences the outcome of the findings. This certainly has to be taken into consideration when interpreting the results for purposes of policy inference. If the overall aim of the study is to influence migration policy in total or at the margin, then, treating remittances as a simple exogenous transfer of income by migrants is the best cause of action to take. However, if the the overall aim of the study is to influence migration policy in the case of a counterfactual scenario of with and without remittances, then, treating remittances as a potential substitute for home earnings, is the best option available. Each approach however, has its own potential drawback: computational complexity for the later approach, ease in estimations for the former approach. The policy analyst therefore, faces a trade-off between ease in estimations, and reliability of the estimates for policy purposes.

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