

**Economic Impact of Migration: A Case Study of the United States of America and The  
Federal Republic of Nigeria**

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**Abstract**

*Migration is a practice that is as old as time itself. It has serious impacts on the people moving and the places involved (origin and destination). Several reasons have been identified as the motivation for migration, however, the differences in economic opportunities remain one of the major drivers of intra and inter-regional migration. Migration is rarely divorced from geopolitical challenges and in fact has been a focal point of political debate in developed nations, as governments assess the economic, security, and humanitarian concerns. With the continued interest in migration, reliable data is necessary to drive its discourse both locally and globally. For this case study, a review of previous publications, archives, publicly available statistics, and reports from global organizations on migration including the International Organization of Migration was conducted to provide an insight on the current state of migration in developed and developing nations. This review shows that even though migration has several benefits to all involved, the nations of origin feel the negative impact more as they continue to lose highly skilled human resources to developed economies. Appropriate policies must be put in place to tackle the root causes of migration by addressing fundamental issues such as poverty, corruption, insecurity, organized crime, threats to climate change and other broader issues in the countries of origin of migrants. This could greatly benefit migrants and their families while contributing to the development in the origin and destination countries.*

**Keywords:** *Economic impact, Migration, Brain Drain, Immigration*

## Introduction

Human migration refers to the movement of people from one place to another across the globe. This could be to settle temporarily or permanently in the new location.<sup>1</sup>Historically, human migration span back several centuries<sup>2</sup>, right from the time when people moved to regions of the world without human habitation to the more recent shift in global population due to labor migration, refugee migrations, and urbanization.<sup>2</sup> Today, migration has been significantly made easier by improved transportation techniques.

Depending on the origin and destination, individuals who migrate can be categorized as emigrants who leave one country to live in another and immigrants who enter a country from another to make a new home. Also, they could be refugees who move to a new country because of unbearable situations in their former home.<sup>1</sup>

Furthermore, based on the direction of migration, individuals can be categorized as return migrants who move back to the location where they came from and seasonal migrants who move with each season or respond to change in labor or climate conditions.<sup>2</sup>

A critical question regarding migration is why people move, or simply put, what forces drive human migration? Migration can be voluntary or involuntary. When it is unintentional, it could be due to forced displacement due to reasons such as deportation, human trafficking, slave trade, flight from war-torn regions, ethnic cleansing, among others.<sup>3</sup>

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<sup>1</sup>International Migration - United Nations Population Division | Department of Economic and Social Affairs." 2013. Un.org. 2013. <https://www.un.org/en/development/desa/population/theme/international-migration/index.asp>.

<sup>2</sup>International Organization for Migration. "World Migration Report 2020." World migration report. Accessed January 14, 2022. <https://worldmigrationreport.iom.int/wmr-2020-interactive/>.

<sup>3</sup>Emily. 2007. "The Importance of Migration and Remittances to Economic Stability and Competitiveness | Post & Parcel." Post & Parcel. May 30, 2007. <https://postandparcel.info/24553/news/the-importance-of-migration-and-remittances-to-economic-stability-and-competitiveness/>.

Research has further classified the factors responsible for the demand and supply of immigrants and emigrants across regions into push and pull factors. Push factors forcefully push individuals into leaving a place, such as those mentioned earlier and others that include poor medical care, few job opportunities, political instability, and natural disasters. On the other hand, pull factors attract individuals to a new place, such as better climate, increased job opportunities, security, and better living standards.<sup>4</sup>

The movement of people across the globe is inevitable today, and its growing importance cannot be ignored. International migration, for example, provides significant financial and social benefits for migrants, their families, and the countries producing and receiving these individuals.<sup>1</sup> Currently, one out of every 35th individual represents an international migrant. However, it is interesting to know that three-quarters of all international migrants are in only 12% of all countries across the globe.<sup>5</sup>

To have a deeper understanding of how vital immigration is on the global level, a study by the European Commission has shown that the employable age within Europe will decrease by 20 million, barely less than a decade from now. The shrinking workforce translates to an increase in the number of dependents. This could negatively impact the economic growth and competitiveness of the region. Furthermore, a report published in 2000 by the United Nations stated that migration would have to be sustained at the double the current rate to maintain the size of the workforce. Without sustained migration by 2050, the European Union will need two workers to pay for one pensioner.<sup>2</sup>

The topic of international migration is quite complex and often accompanied by misinformation and disinformation. Not only do migration patterns differ across regions and continents, but the whole process is also profoundly affected by both historical and

contemporary factors. With the increasing discourse around migration issues, it becomes essential to be familiar with unbiased and evidence-backed information on its impact. Understanding the effects of these factors individually or together is necessary to have a clearer picture of international migration and dispel myths and rumors that have trailed this topic for decades.<sup>2</sup>

Migration affects different aspects of our lives, creating substantial financial and social benefits for all involved. This could range from mixing of racial and cultural experiences to friction between the majority and minority populations, including racism and racial discrimination. However, the economic impact of migration is invariably the most crucial benefit to the development of countries.

### **Statistics On Global Migration**

In 2019, the United Nations estimated the total number of migrants globally to be 272 million, a 51 million increase from 2010.<sup>1</sup> A year later, international migrants represented 3.6 percent (281 million) of the global population, compared to 2.8 percent two decades ago.<sup>4</sup>

<sup>5</sup> Considering countries with the largest diasporas in 2020, immigrants from India ranked first with 18 million citizens living outside of their place of birth, followed by Mexico, Russia, China, and Syria.<sup>5</sup>

The USA remains the largest destination for popular destinations, with 51 million immigrants in 2020, housing about 18% of the global migrant population.<sup>4</sup> This was followed by Germany, Saudi Arabia, the Russian Federation, and the United Kingdom.<sup>4, 5</sup>

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<sup>4</sup>United Nations Population Division | Department of Economic and Social Affairs." 2019. Un.org. 2019.  
<https://www.un.org/en/development/desa/population/migration/data/estimates2/estimates19.asp>.

On the other hand, Egypt has the highest number of citizens in diaspora in the African continent, followed closely by Morocco, South Sudan, Sudan, and Somalia.<sup>5</sup> One of the common misconceptions about migration is that the top destination for African and Asian migrants is out of the region they were born in; however, this is not true as most movement occurs intra-continently.<sup>6</sup>

### **The Economic Impact of Migration**

Over the years, there have been several discussions on the benefits of migration, including economic impact. However, with the extensive research on the economic impact of migration, a vestige of ill-informed perceptions remains, fuelling public antagonism towards migration. This could inadvertently jeopardize efforts to adapt region-specific migratory policies in adaptation to rising economic and demographic challenges.<sup>7</sup>

#### *Labour Markets*

Evidence has shown that immigrants play a significant role in the most dynamic sectors of the economy. Also, immigrants have accounted for 47% of workforce increase in the United States and 70% in Europe in the past decade. Thus, they are well-represented niches crucial to economic development (both in fast-growing and declining sectors).

Additionally, they fill labour needs by taking up jobs regarded by domestic workers as unattractive or lacking career prospects. New immigrants represented 22% of entries into strongly growing occupations in the United States and 15% in Europe. These include notably health-care occupations and STEM occupations.<sup>8</sup>

### ***The Public Purse and Economic Growth***

The increasing aging populations could jeopardize the financial sustainability of developed nations. Of the many solutions proposed to tackle this issue is immigration, to provide funds for the public purse to fund welfare activities for the elderly population. Employment is the single biggest determinant of migrants' net fiscal contribution, and the characteristics of the immigrants determine their contribution to the country's fiscal situation. Also, a report by the University College London found that immigrants who arrived in the United Kingdom from 2000 onwards have made much more significant fiscal contributions than those who had been in the country longer.<sup>2</sup>

Those who are young, educated, and highly skilled tend to work in high-paying sectors making a more positive net fiscal contribution compared to older and less-skilled immigrants. Furthermore, compared to natives, migrants tend to be more concentrated in the younger and economically active age groups contributing less to the dependency ratio. The net impact is a positive boost on the working-age population and contribution to technological progress, which boost the Gross Domestic Product (GDP) and are positive drivers of economic growth.<sup>11</sup>

### ***COVID-19 Pandemic and Immigration***

Immigration activities were hugely affected as the world grappled with the Corona Virus outbreak. The pandemic disrupted all forms of human mobility through border closures and travel restrictions. By mid-2020, a reduction in the total stock of international migrants was reported (~2 million); this accounts for about 27% reduction in the expected growth expected from 2019. As an integral part of today's globalized world, this adjustment to the new normal

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<sup>2</sup>How Immigrants Affect Public Finances - Full Fact." 2017. Full Fact. 2017. <https://fullfact.org/immigration/how-immigrants-affect-public-finances/>.

to accommodate the changes brought about by the pandemic has affected the livelihoods of several immigrants and their families across the globe, further undermining progress in realizing the Sustainable Development Goals.<sup>3</sup>

## **Immigration and The United States Economy**

The United States is home to the largest immigrant population globally.<sup>11</sup> Immigration accounted for 32% of the population growth between 2000-2018 in North America.<sup>4</sup> These immigrants are taking an increasingly prominent role in the American economy, which is different from America-born workers. They can be found in several sectors at different skill levels. They also lower the cost of some labor activities, including childcare, food preparation, house cleaning and repair, and construction, and provide more demand for housing.<sup>5</sup> Despite their contribution to the economy, aggressive steps were taken to restrict the flow of immigrants during the Trump administration. This was based on the belief that they negatively influenced the culture and economy of the United States.<sup>6</sup> Furthermore, immigration was linked to criminality and suppressed wages.<sup>7</sup>

Immigrants taking the place of native workers in the workforce remains a hot topic. On the issue of restricting immigration as a means of improving wages, however, studies have suggested that limiting immigration does not translate to increased wages for natives. A review of the 1920 immigration quotas showed no increase in the salaries for native-born workers. The Quota limited the number of aliens of any nationality entering the US<sup>8</sup> to 3% of

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<sup>4</sup>United Nations. 2020. "International Migration 2020 Highlights | United Nations." United Nations. United Nations. 2020. <https://www.un.org/en/desa/international-migration-2020-highlights>.

<sup>5</sup>USA Facts. 2021. "US Immigrant Population over Time." USAFacts. 2021. <https://usafacts.org/data/topics/people-society/immigration/immigration-and-immigration-enforcement/immigrants/>.

<sup>6</sup>Nunn, Ryan, Jimmy O'Donnell, and Jay Shambaugh. 2018. "A Dozen Facts about Immigration." Brookings. Brookings. October 9, 2018. <https://www.brookings.edu/research/a-dozen-facts-about-immigration/>.

<sup>7</sup>Can Immigration Solve the Demographic Dilemma? – IMF F&D." 2020. Imf.org. 2020.

<https://www.imf.org/external/pubs/ft/fandd/2020/03/can-immigration-solve-the-demographic-dilemma-peri.htm>.

<sup>8</sup>The National Academies of Sciences, Engineering, and Medicine. "New Report Assesses the Economic and Fiscal Consequences of Immigration. Nationalacademies.org. 2022. <https://www.nationalacademies.org/news/2016/09/new-report-assesses-the-economic-and-fiscal-consequences-of-immigration>

<sup>9</sup>Summary of 1920s Quota Laws." 2022. Sunyulster.edu. 2022. [http://people.sunyulster.edu/voughth/quota\\_laws.htm](http://people.sunyulster.edu/voughth/quota_laws.htm).

the foreign-born individuals of that nationality living in the United States in 1910.<sup>9</sup> Certain professions such as artists, lecturers, nurses, professors, and those belonging to any recognized learned profession were exempted from the Quota.<sup>10</sup> In fact, a slight decline in wages for natives was reported following the implementation of the quotas because of both the falling rate of immigration and the immigration of unrestricted groups.<sup>11</sup>

### ***Economic Impact***

Immigration fuels the economy, and immigrants are found in sectors where there is a relative need for workers or labor shortages could otherwise affect growth. The US needs immigrants to stay competitive and drive economic growth.<sup>12</sup> Immigrants are innovators, consumers, and job creators with enormous spending power. The resultant effect is the creation of employment opportunities for all Americans. Globally, about half (~45%) of Fortune 500 companies were founded by immigrants and their descendants; these companies employ over 10 million individuals globally.<sup>12</sup>

More so, immigrants in the labor force, increase the economy's productive capacity and raise GDP. In 2016, immigrants added \$2 trillion to the US GDP; two years later, they added \$458.7 billion to local, state, and federal taxes and after which they had over \$1.2 trillion left in spending power, this was used to purchase goods and services, stimulating local business activity.<sup>12</sup> Overall, immigration improves labor market efficiency, the estimated efficiency gains for native-born workers ranging between \$5 - \$10 billion annually. Furthermore, as immigrants see a rise in their incomes, so do natives; this is called "immigration surplus."

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<sup>9</sup>The Nation's Immigration Laws, 1920 to Today.2015. Pew Research Center's Hispanic Trends Project. Pew Research Center's Hispanic Trends Project. September 28, 2015. <https://www.pewresearch.org/hispanic/2015/09/28/chapter-1-the-nations-immigration-laws-1920-to-today/>.

<sup>10</sup>Susan Forbes Martin. 2021. A Nation of Immigrants. Cambridge: United Kingdom. <https://www.cambridge.org/us/academic/subjects/politics-international-relations/american-government-politics-and-policy/nation-immigrants-2nd-edition?format=PB&isbn=9781108820592>.

<sup>11</sup>Abramitzky, Ran, Philipp Ager, Leah Platt Boustan, Elior Cohen, and Casper Worm Hansen. 2019. "The Effects of Immigration on the Economy: Lessons from the 1920s Border Closure." *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.3513619>.

<sup>12</sup>"The Positive Economic Impact of Immigration." 2022. FWD.us. January 6, 2022. <https://www.fwd.us/news/immigration-facts-the-positive-economic-impact-of-immigration/>.



Immigration surplus is a metric of natives' total gains from immigration.<sup>13</sup> The surplus accrues to factors whose productivity is enhanced by the presence of immigrants. However, not everyone benefits from the immigration surplus as the majority goes to the owners of capital.<sup>14</sup>

### ***Fiscal Impact***

A strong fiscal foundation is essential for the economy of a nation to thrive. The creation of a sustainable fiscal path promotes growth and developmental opportunities.<sup>15</sup> Immigrants, whether documented or undocumented, are net positive contributors to the federal budget in the United States. Because they are generally of working age, they impose relatively small costs on Social Security and Medicare. On the other hand, through taxes paid, immigrants contribute to funds spent on defense (the largest component of federal non-defense spending), reducing the federal tax burden of the average American.

### ***Population Impact***

Immigrants are essential to stabilizing the aging population in the United States; between 2010 and 2020, the US saw its slowest population growth of any decade since the 1930s. The birth rate in the United States has continued to decline. The Centers for Disease Control and Prevention reported in 2019 that the overall birth rate reached its lowest in 32 years (Hamilton, Martin, and Osterman 2020).<sup>16</sup>

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<sup>13</sup>Immigration's Economic Impact." 2008. Archives.gov. April 10, 2008. [https://georgewbush-whitehouse.archives.gov/cea/cea\\_immigration\\_062007.html](https://georgewbush-whitehouse.archives.gov/cea/cea_immigration_062007.html).

<sup>14</sup>Benefits of Immigration Outweigh the Costs." 2016. Benefits of Immigration Outweigh the Costs. 2016. <https://www.bushcenter.org/catalyst/north-american-century/benefits-of-immigration-outweigh-costs.html>.

<sup>15</sup>The Fiscal & Economic Impact of the National Debt." Pgpf.org. pgpf.org. 2022. <https://www.pgpf.org/the-fiscal-and-economic-challenge/fiscal-and-economic-impact>.

<sup>16</sup>Hamilton, Brady, Joyce Martin, and Michelle Osterman. 2020. "Vital Statistics Rapid Release Births: Provisional Data for 2019." <https://www.cdc.gov/nchs/data/vsrr/vsrr-8-508.pdf>.

Declining birth rate and immigration levels mean that future immigration is needed to increase the population size in the United States and maintain a senior to the working-age ratio for economic growth. Based on projections, the US needs to double immigration rates to remain globally competitive and maintain fiscal programs like Social Security.<sup>17</sup>

### *American Workforce*

Foreign-born adults participated in the labor force at a higher rate than native-born Americans (65.7 vs. 62.3 %). Immigrants are prolific entrepreneurs, launching new companies at twice the rate of native-born entrepreneurs.<sup>22</sup> The resulting jobs increase employment opportunities for native-born American workers, boost wages, and strengthen the middle class.<sup>17</sup> Also, they complement rather than compete with native-born workers because they have different skillsets and educational backgrounds. They also fill labor needs by purchasing goods and paying taxes. Clearly, when more people work, productivity increases, and as an increasing number of Americans retire in the coming years, immigrants will help fill labor demand and maintain the social safety net.

### *Education*

Immigrants are well-educated and highly skilled in their fields. 43% of recently arrived families and diversity-based immigrants are college graduates, a higher proportion compared to 29% of native-born Americans. Children of immigrants tend to be more educated, earn more, and work in higher-paying jobs than their parents. Encouraging the admittance of educated immigrants will thus keep the workforce flexible, allowing companies to grow

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<sup>17</sup>Sherman, Arloc. 2019. "Immigrants Contribute Greatly to US Economy, despite Administration's 'Public Charge' Rule Rationale | Center on Budget and Policy Priorities." Center on Budget and Policy Priorities. August 15, 2019. <https://www.cbpp.org/research/poverty-and-inequality/immigrants-contribute-greatly-to-us-economy-despite-administrations>

faster, and increase American workers' productivity by bringing in individuals with diverse skill sets and new ideas.<sup>18</sup>

Additionally, over half of STEM degrees awarded by US universities go to international students. 44% of medical scientists are foreign-born same as computer software developers. Immigrant workers are also overrepresented in academia, engineering, mathematics, and health professions.<sup>19,20</sup>

### ***Housing***

Immigrants also impact the US housing sector as they directly influence housing demand through their purchasing power. By attracting natives, they indirectly generate demand in growing areas and shift the demand for housing within urban toward neighborhoods in less desirable or rural areas.<sup>19</sup> The declining birth rates in the US-born population mean that immigrant households make up an increasing share of the total growth in US-occupied housing.<sup>20</sup> Immigrants accounted for 8.7 % of the total growth in homes in the 1970s, 15.7 % in the 1980s, and 31.9 % in the 1990s.<sup>19,20</sup>

### ***Immigrants and the Aging US Population***

Immigrants bolster the national birth rate. A reduction in the birth rate can lead to a decline in the labor force, reduced demand in specific industries, and a slowing and less dynamic economy. Furthermore, economists have argued that the relatively younger age of immigrants

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<sup>18</sup>Card, David. 2005. "Is the New Immigration Really so Bad?," August 2005. <https://doi.org/10.3386/w11547>.

<sup>19</sup>How 40 Million Immigrants Create Housing Wealth and Stabilize Communities - New American Economy." 2015. New American Economy. July 6, 2015. <https://www.newamericaneconomy.org/housing>

<sup>20</sup>Dowell Myers & Cathy yang Liu (2005) The Emerging Dominance of Immigrants in the US Housing Market 1970–2000, Urban Policy and Research, 23:3, 347-366, DOI: 10.1080/08111470500197920.

represents a means of stabilization for the aging populations of economies in the global North due to the historically low birth rate in the native populations (Hamilton et al., 2019).<sup>21</sup>

Overall, encouraging immigration could result in greater occupational specialization and a net positive effect on combined federal, state, and local budgets. Immigrants and immigration are good for the country, communities, and the economy. New arrivals to the US help drive business creation, fuel innovation, fill essential workforce needs, and strengthen the middle class. This drives innovation, leads to a better-educated workforce, greater occupational specialization, and an overall improvement in economic productivity.<sup>22</sup> Family-based immigration promotes family unity and integration, which are core principles of American values.

### **Immigration and The Nigerian Economy**

Nigeria is the most populous nation in Africa and the 7th most populous country in the world; it is projected to be the 3rd most populous by 2100.<sup>23</sup> It is also the top birthplace among African immigrants in the US. Nigerian immigrants in the US are well educated; it has been reported that 6 in 10 black Nigerian immigrants in the United States had a bachelor's degree or more education – a proportion that roughly doubles that of the native-born.<sup>24</sup> Even though they account for less than 1 percent of the black population in the United States, they represent almost 25% of all Black students at Harvard Business School.<sup>25</sup>

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<sup>21</sup>Hamilton, Brady, Joyce Martin, Michelle Osterman, and Lauren Rossen. 2019. "Vital Statistics Rapid Release Births: Provisional Data for 2018." <https://www.cdc.gov/nchs/data/vsrr/vsrr-007-508.pdf>.

<sup>22</sup>Wharton PPI. 2016. "Penn Wharton Budget Model." Penn Wharton Budget Model. June 27, 2016. <https://budgetmodel.wharton.upenn.edu/issues/2016/1/27/the-effects-of-immigration-on-the-united-states-economy>

<sup>23</sup>Gramlich, John. 2020. "Fast Facts about Nigeria and Its Immigrants as US Travel Ban Expands." Pew Research Center. Pew Research Center. February 3, 2020. <https://www.pewresearch.org/fact-tank/2020/02/03/fast-facts-about-nigeria-and-its-immigrants-as-u-s-travel-ban-expands/>.

<sup>24</sup>Anderson, Monica, and Gustavo López. 2018. "Key Facts about Black Immigrants in the US" Pew Research Center. Pew Research Center. January 24, 2018. <https://www.pewresearch.org/fact-tank/2018/01/24/key-facts-about-black-immigrants-in-the-u-s/>.

<sup>25</sup>*The New York Times*. 2022. "Opinion | What Drives Success? (Published 2014)," 2022. <https://www.nytimes.com/2014/01/26/opinion/sunday/what-drives-success.html?hp&rref=opinion&r=0>

In the West African Region, Nigeria represents an essential destination for migrants. According to the UNDP, the number of immigrants was expected to increase to 1.1 million in 2010. Most immigrants come from neighboring ECOWAS (Benin, Ghana, and Mali).<sup>26</sup> Refugees and asylum seekers also contribute to the overall immigrant stock. It is also a destination country for highly skilled migration – professional and technical workers –such as general managers, corporate managers, and science professionals.<sup>27</sup>

Even though Nigeria is a popular destination for African migrants, more people move out than move into Nigeria. The tendency to emigrate is particularly high among the highly skilled. 10.7 % of the highly skilled population who trained in Nigeria work abroad, mostly in OECD countries. There is also an increasing trend in education-related migration. From 2000 to 2006, the number of Nigerian students abroad more than doubled, from 10,000 to 22,000.<sup>26</sup> Furthermore, it is estimated that the Nigerian student population in the United Kingdom may increase from 2,700 in 2007 to 30,000 in 2030 (IOM 2009).<sup>27</sup> According to the Pew Research Center, many Nigerians expressed pessimism about their nation's economic and political situation in a 2018 survey, and a 2020 report found that 45% of Nigerian adults plan to move to another country sometime within the next five years (Gramlich 2020).<sup>27</sup>

### **Remittances: A Benefit of Immigration**

One of the benefits of migration to developing nations, if not the most important, is remittance. Remittances are funds sent by foreign migrants to their home countries. These funds result from high remuneration for similar occupations, which creates a massive

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<sup>26</sup>Development Research Centre on Migration, Globalization and Poverty (DRC) 2007 Global Migrant Origin Database, Development Research Centre on Migration Globalization and Poverty, March 2007, Version 4.

<sup>27</sup>International Organization for Migration - "Migration in Nigeria - A Country Profile 2009. Prepared by Adejumo Afolayan and IOM's Research Division. Accessed January 15, 2022. [https://publications.iom.int/system/files/pdf/nigeria\\_profile\\_2009.pdf](https://publications.iom.int/system/files/pdf/nigeria_profile_2009.pdf).

incentive to emigrate to developed countries (Emily 2007).<sup>6</sup> Remittances constitute the second-largest flow of capital to developing countries, behind only governmental development aid. Concerning remittances made to the county of origin, Nigerians abroad make the most contribution to remittances back home on the African continent due to their commitment and duty to ensuring the well-being of their loved ones (IOM 2009).<sup>27</sup>

The global remittance market (GRM) is vast and impacts both low-income and high-income countries. About 500 million people depend somehow on the steady, reliable, and speedy flow of remittances (Emily 2007).<sup>6</sup> It consists of several channels such as banks, money transfer operators, mobile network operators, and others.<sup>28</sup> GRM market size was valued at \$682.60 billion in 2018 and is projected to reach \$930.44 billion by 2026 (Allied Market Research 2021; UN DESA 2018).<sup>29</sup>

The inflow of remittances increased dramatically from \$2.3 billion in 2004 to \$17.9 billion in 2007. In 2007, remittances accounted for 6.7 % of the GDP; a decade later, Nigerians in the US sent \$6.2 billion in remittances to Nigeria, the highest sent to any African nation (IOM 2009; Gramlich 2020).<sup>27,29</sup> According to World Bank reports, a total of US\$ 25.08 billion was received in remittances in 2018 and accounted for 5.74% of the Nigerian GDP. Globally, the countries that outperform Nigeria concerning remittances are India, China, the Philippines, and Mexico. The increase in the inflow of remittances in recent times to the Nigerian economy has been attributed to - renewed confidence in the economic reforms and increasing investment opportunities (IOM 2009).<sup>27</sup>

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<sup>28</sup> Allied Market Research. 2021. Allied Market Research. 2021. <https://www.alliedmarketresearch.com/remittance-market>.

<sup>29</sup> "Remittances Matter: 8 Facts You Don't Know about the Money Migrants Send Back Home | UN DESA | United Nations Department of Economic and Social Affairs." 2019. Un.org. 2019. <https://www.un.org/development/desa/en/news/population/remittances-matter.html>.

Remittances are beneficial to the Nigerian economy. It is reported that the majority is used for consumption, health and education, and for investments both by the recipients and remitters (shares and stocks and building houses). Also, funds received are also used for beneficial community projects in education, health, and recreation (IOM 2009).<sup>32</sup> With the amount of funds sent via remittances to the African continent, the average cost for money transfers to Sub-Saharan Africa remains the highest globally. The global average cost of remittances in Q4 was 8.96% for Africa, a rate higher than the 6.82% quoted globally. The excess fees charged for remittances to Africa were to the tune of \$1.8 billion in 2019 (World Bank Group 2021).<sup>30</sup> The high cost impacts the lives of the ex-pats and their families and affects Africa's economy in general and cutting costs and enabling smooth transfers will benefit everyone involved. Remittances from diasporas continue to be an essential feature of the modern-day economy; as such, the role of migrants in strengthening the global economy, in addition to the diversification of the social fabric of our communities, must be recognized (Emily 2007).<sup>6</sup>

### **Migration and Brain Drain**

Migration produces more losers than winners in developing countries. It is responsible for brain drain, which is the movement of highly skilled individuals from developing nations like Nigeria to developed nations. Brain drain is anti-developmental and places a great constraint on the progress of low-income countries. This movement induces shortages of manpower in key activities, undermining the country's ability to adopt new technologies or deal with health crises, further increasing the technological gap between leading and developing nations. Additionally, it discourages the process of knowledge creation as it induces a continuous

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<sup>30</sup> World Bank Group. 2021. "Remittance Flows Register Robust 7.3 Percent Growth in 2021." World Bank. World Bank Group. November 17, 2021. <https://www.worldbank.org/en/news/press-release/2021/11/17/remittance-flows-register-robust-7-3-percent-growth-in-2021>.

decline in the quality of education. Finally, it has a direct and negative effect on the quality-of-service delivery to the public.

The resultant concentration of human capital in the most advanced economies contributes to their technological progress to the detriment of the countries producing these intellects (Ogbu 2019).<sup>31</sup> In the case of Nigeria, the Federal government should address and review all the various policies that have triggered the emigration of these intellectuals. Additionally, a conflict-free political environment should be provided to facilitate the return of migrants to their homeland (Ogbu 2019).<sup>31</sup>

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<sup>31</sup>Ogbu, Esther. 2019. "A Publication of Association for the Promotion of African Studies MIGRATION and the PHILOSOPHY of BRAIN DRAIN in NIGERIA." *Journal of African Studies and Sustainable Development* 2 (4): 2640–7065.  
<https://www.apas.africa/journal/J.2.4.5.pdf>.



## Conclusion

Human migration's impact is felt in several regions across the globe; as with several aspects of our lives that have been affected by modernization, migration is nonexempt. Immigration is thus a positive but also disruptive change, and understanding these impacts is important to have a productive discussion about the role of migration. Therefore, it is essential to examine the changes in the direction, level, population, and frequency to understand the evolution of migration. This could help inform policies and programs necessary to maximize the benefits of migration both for host countries and the migrants themselves. Individuals in diasporas continue to contribute to their homes' economic growth and development by promoting of foreign investment, trade, access to technology, and financial inclusion.

It is essential to know that immigrants across the globe are neither a burden to the public purse nor are they a remedy to addressing fiscal issues. In adjusting to the current reality, the COVID-19 pandemic may reduce the volume of remittances sent to low- and middle-income countries by about 14% (a decline of USD 78 billion from 2019 -2021). Thus, it has been recommended that national strategies and global cooperation will be needed to mitigate the effects of this loss (IOM 2020).<sup>5</sup>

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