Migrant Remittances and the Development of the Informal Sector of the Nigerian Economy

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Abstract

Nigeria (with a youth unemployment rate of over 40%), has witnessed for the last three decades specifically, of migration in hordes of its citizens to foreign countries. This to a large extent has been economically induced. By holding fast to an image of the western world as a financial utopia, millions of Nigerians-especially the youths have trans-nationally migrated, seeking greener pastures. Since skilled, semi-skilled and un-skilled Nigerians of both sexes are implicated in these transnational movements, the deleterious effects of migration - including brain drain on the Nigerian economy has been significantly felt. However, in view of the practice of the culture of remittances, and despite the difficulty of reconciliation of remittances of illegal migrants, available statistical data and individual capital accumulation made it apparent that economically, the impact of migration is not a totally negative portent. The study examined the effect of migrant remittances through planned investment in the informal sector. Engaging the descriptive approach, tables, charts and regression estimation in our scrutiny, it was discovered that the myriad problems which hindered the development of the informal economy include inaccurate records, deteriorating or lack of basic infrastructures (energy, water and transport), unavailability of raw materials, insecurity, etc. We have thus proffered suggestion on specific roles of the government of Nigeria in the development of the informal sector of the economy.

Keywords: migrants, remittances, .informal sector, Nigeria

1. Introduction

The reasons are varied for displacement from one location to another – whether within the same country (domestic migration) or across international borders (international migration). They range from the political through the social to the economic. Generally, majority of the legal migrants with proper documentation are the skilled labour from developing countries. Hence Todaro and Smith (2005:129-130) posited that:

The irony of international migration today however is not merely that this traditional outlet for surplus people has effectively closed off but that many of the people who migrate legally from poor to richer lands are the very ones that the developing countries can least afford to lose … the highly educated and skilled.

Since the great majority of these migrants move on a permanent basis, this perverse **brain drain** not only represents a loss of valuable human resources but could prove to be a serious constraint on the future economic progress of developing nations.

Contrary to the above assertion which portrays the negative effect of migration, it is correspondingly important to note that remittances in cash or kind, contribute massively to the provision of home-keep funds as well as bankrolling investments for family members in their home country. International remittances from migrants to their home countries and immediate families increase their capital accumulation and enhance their consumption capabilities. This establishes migration as an economical relevance impossible to discountenance in policy making circles.

The number is staggering of Nigerians who annually leave the shores of the country (both legally and illegally) for richer climes. However it is projected that those international remittances from Nigerian migrants which have increasingly become significant sources of income should be channeled towards or utilized for the development of the informal sector of the economy of Nigeria. These relevant questions are pertinent for this study to examine:

1. What are the problems which obstruct the assessment of remittances into the country?
2. What are the problems hindering the growth of the informal sector in Nigeria?
3. What is the impact of remittances on the development of the informal sector in Nigeria?.

The objectives set for this study are clearly stated thus:

i. To investigate the problems obstructing the assessment of migrant remittances into the country.
ii. To examine the factors hindering the growth of informal sector in Nigeria.
iii. To examine the impact of remittances to the development of the informal sector in Nigeria.

To achieve the above objectives the paper is therefore structured into sections. Following the introduction is section two which focuses on conceptual and theoretical issues. In section three we evaluate the importance of remittance in the development of the informal sector and the trend of workers' remittances and foreign direct investment growth rate in Nigeria using tables and chart for illustrations. Section four focuses on methodology, data analysis of the trend of migrant remittances and interpretation of results, while in section five we highlight the summary of findings, recommendations and conclusion.

2. Conceptual and Theoretical Issues

2.1 Conceptual Issues

i. Migrant Remittances

International Monetary Funds (IMF, 1993) defined workers' remittances as international transfer of funds sent by migrant workers from the country where they are working (and have stayed for more than one year to be considered resident in the countries) to their family members in their countries of origin. Similarly, IMF Balance of Payment Manual 5 (BPM5) defines remittances as that portion of international migrant workers earning sent home from the country of employment to the country of origin.

Central Bank of Nigeria (CBN) considered that remittances are both financial and non-financial resources freely sent to migrants' households in the home countries. They have contributed immensely to financing domestic investment as well as providing sustenance funds for dependent relatives, thereby alleviating poverty in developing countries. However remittances could also be in kind. These are items other than cash sent by those in Diaspora. These may include food, jewelry, books, medicine, clothing, electronics, cars, etc, sometimes for the immediate use of the recipient or alternatively they are sold to realize funds for other uses. Remittances are also considered as unilateral transfers and so they do not create any future liabilities as debt servicing or profit transfers. So remittances are generally less volatile, hence they are a more dependable source of funds in some countries than private capital inflow and foreign direct investment (FDI) as well as official development assistant (ODA) (Ratha, 2003; Buch and Kuchulenz, 2004).

Most studies carried out have established that the nominal exchange rate and inflation rate are significant explanatory variables of migrant remittances estimation. This assertion though controversial was supported by Orozco and Lowell (2005) who found out that migrants adjust their remittances to exchange rate changes so that the same value in terms of their currency is sent back home. Similarly, El-Sakka and McNabb (1999) opined that migrants might remit more to their home country during period of inflation to secure the purchase of real assets such as land and jewellery, the real value of which may be constant or actually rising in terms of inflation. And it is important to note that migrant remittances or workers' remittances form part of the invisible section of the balance of payments on current account (John 2003).

ii. Informal Sector

The informal sector according to Todaro et al (2005) is the part of the urban economy of the less - developed countries (LDCs) characterized by small competitive individual or family firms, petty retail trade and services, labour intensive method of production, free entry and market determined factor and product prices.

Contemplating the size of informal economies, Africa stands out as the most informalised region of the world, with over 70% of the non-agricultural labour force earning their livelihoods informally (Shneider 2002, IDRC, 2008). It often provides a major source of employment and economic activities.

In Nigeria the three major segments of the informal economy are:

i. Production Industry: which include agricultural production, small-scale building construction, quarrying and mining, crafts in clothing and furniture, etc.
ii. Services: these include mechanical and vehicle repair, rural health, utility, counseling and labour services.
iii. Finance structures: under this segment we have various parallel finance structures which customarily operate on unwritten rules - the Esusu system whereby loans are obtained by rotation from a central contributory fund. Another is the daily thrift collection.

The development of the informal sector will go a long way in helping to produce commodities for local consumption and even for export (as proven by the shoe and garment industries of eastern Nigeria and the Nollywood home video industry). These businesses equally have the potential to provide employment opportunities for a majority of the populace. In Nigeria, enterprises in the informal economy have been operating largely without assistance from the state (eg. the shoe and garment clusters in Aba). It should be noted that the Ibos are one of the few Africa informal business groups to have made the transition from trade to manufacturing without the help of the state

2.2 Theoretical Issues

Several theories on remittances have emerged over time from classical, neo-classical dependency theories to the New Economics of labour migration (NELM) and livelihood approach. The classical and neo-classical economic models viewed migrants as self interested individuals who leave their places of origin in search of new economic opportunities in the destination. Todaro (1969) modeled the decision to migrate from rural to urban areas primarily as a function of two dynamics such as the urban-rural real income differential and the probability of an individual to obtain a job in the destination.

The New Economics of Labour Migration (NELM) which was pioneered by Stark and Bloom (1985) and Stark (1991) were developed as a response to the classical and neo-classical models on migration and its implication. The NELM approach viewed migration as a household strategy as opposed to a purely individual one where both migrants and their families expect to obtain resources from their ongoing connections (Katz and Stark 1986). This study is anchored on this approach became of its relevance to the achievement of the objectives. This new approach modeled migration as the risk sharing behaviour of households. That is the individual (migrant) and households (family at origin) seem able to diversify resources such as labour in order to minimize income risks. Family members enter into a co-insurance agreement to migrate but expect a return on this investment from the migrants through repayment of the cost incurred by the migration and the assistant they may require. By this arrangement migration is perceived as a household response to income risks since migrant remittances serve as income insurance for households of origin (CBN, 2008; Lucas and Stark, 1985). This is designated as “Pure Altruism Theory” and “Contractual Agreement Remittance Theory”.

i. Pure Altruistic Motivation

The explanation based on altruism hypothesized that migrants send remittances to their rural households because they are concerned for the welfare and wellbeing of the family members they left behind without an expectation of reciprocal support. In the African setting where we have extended families to include parents, spouses, and children as well as male siblings and their families (Ocholla-Ayayo, 1976) such remittances are sometimes extended to them. So the case of altruism is a situation where the presence of people whom migrants care about in the origin household, such as parents, wives and children will encourage the migrants to send larger remittances, while cohabitation with a spouse and children in the destination will reduce remittances (Vanwey 2004).
Similarly, migrants’ resources (including their education and income) will increase remittances while rural household’s wealth such as farmlands and livestock can therefore be used as resources that generate income are expected to have negative effect on remittances flow (Lucas and Stark 1985, Vanwey 2004).

ii Contractual Agreement Theory of Remittance

In this theory, it is perceived that there is contractual agreement between the migrants and their home families that is entered into for mutual economic benefit or motive.

This theory has two dimensions "coinsurance" and "investment" strategies. The co-insurance strategy according to Azam and Dubert (2006), Lucas et al (2005) and Plotrowski (2006) is aimed at diversifying risk for migrants and their rural households in the short run. This is due to the fact that insurance and credit markets are incomplete in many developing countries. So migrants and rural households depend or rely on each other for material support in times of unforeseen loss, hardships or disaster or crop failures in the home (family household) or loss of jobs, illness or unemployment, etc, of migrants in the host country Lucas et al, (1985).

The investment strategy on the other hand is a situation whereby the direction of resource flow depends on the migrant's stage in the life cycle (Nancy Black and Gayatri Singh 2011). Migrants sent remittances during their productive years in their destination to repay families for investing in their education or trip abroad and to secure a portion of their inheritance for support in old age (Hoddinott 1994). This investment strategy is important to the migrant because with the idea that he will return home at retirement, will serve as incentive to remain connected to their rural households. Hence it is argued that migration plays a vital role in providing a major source of investment capital which is important in an environment of imperfect credit (capital) and risk (insurance) market that are prevalent in most developing countries. That is why migration is seen as a potential livelihood strategy to overcome the problem of capital inadequacy, market constraints and encourage households to invest in productive ventures so that their livelihood will improve (CBN 2008).

3.1 Importance of Remittances to the Development of the Informal Sector

We attempt to examine the importance of remittances in this section. The focus will be on the positive and negative effects of remittances to the economy. Positively, remittances serve as a source of funds to feed productive investments in the home country. This is made possible if the funds are transmitted through formal channels such as banks or in local institutions. When this happens, the financial resources of these institutions will be increased thereby making it possible for them to grant credits to the companies on short or long term loans granted by banks and non banking financial institutions to companies or households. So at the macroeconomic level, if the workers observe that the local economic situation or environment is conducive for investment, such remittances are capable of increasing the total capacity of financing of the investment (Boberas 2005).

Similarly, when the families of migrant workers encounter difficulties in credit rationing, the remittances enable them to circumvent these difficulties and hence able to finance their consumption needs or capital expenditure for basic requirements. This view was also supported by Azal (2005) when he opined that if there are difficulties for the poor families in obtaining bank credits, then the receipts of remittances can resolve these difficulties. And the funds realized serve as a major source of financing micro-enterprises and hence the informal sector.

It is necessary to add that remittances assist the migrant worker or the family of the migrant in the home country to the fight of poverty. This is made possible and favourable when part of these funds contributes to the improvement of the living condition of the family of the emigrant worker, since it supports the building of human capital while enabling paying expenditure for education and training of the young people in his family. It could thus be asserted that remittances can contribute to the development and accumulation of human capital and enhance the increase in growth of factor productivity of the local economy. (Chami and Ali 2008)

In the views of Chimhown, Piesse and Pindez (2005) remittances also encourage economic growth when they are used for financing children's education and welfare expenses such as health care. Investing in child education and welfare will in no doubt increase labour productivity in the long term, which in turn impact positively on growth of the economy. They further argued that even when the remittances are spent on consumption or real estate, there will be multiplier effects because of increase in the demand for goods stimulated by these activities and thus shows a positive link between gross domestic products (GDP) and remittances.

The negative effects of workers' remittances could be viewed from the effect on the worker and the recipient's attitude to work, the effect of inflow of foreign currency on the exchange rate of local currency and the effect of such inflow of funds on the consumption expenditure.

Workers' remittances can promote idleness on the part of recipients (Bridi, 2005). Remittances in some recipient families living in the country of migrants' origin can influence the members to be satisfied to live with this income without working or by withdrawing from the local labour market. Ohami (2005) also argued that migration and associated remittances may create a moral hazard problem among migrant household members including disincentives to work.

Sometimes the recipients use remittance to launch themselves into some exhibition of wealth, ostentation consumption of luxury goods often imported from abroad such as cars, jewellery, clothes, etc. Also, some recipients even engage in irrelevant projects or in poorly studied investments and projects which can lead to waste of these funds on unproductive ventures or uses. This kind of expenditure creates another negative effect. This is because the funds coming from abroad are not well utilized thereby leading to inflation and possibly speculative bubbles. This unproductive investment is obviously the case in some developing countries including Nigeria.

At the macroeconomic level too the impact of remittances on the current account of the economy through the exchange rate exerts negative effects. For example, an inflow of foreign exchange normally leads to real appreciation of the local currency either through a nominal appreciation as demand for domestic currencies increases or through inflation as additional demand pushes consumer prices up. All things being equal, real appreciation of domestic currency worsens the current account as domestic export becomes less competitive in the international market.

Anyanwu (2011) observed from his findings that international remittances also increase inequality generally. The fact is that household receiving international remittances are well off coupled with the very large improvement in expenditure that comes with the receipt. This means that the receipt of the remittances raises income inequality or it is inequality reinforcing.

3.2 Trend of Workers' Remittances and Foreign Direct Investment Growth Rate in Nigeria

The trend of workers' remittances (WR) in Nigeria and foreign direct investment (FDI) are shown in table 1.(see appendix 1). From the table 1, it is observed that both of them fluctuate over time which suggests instability. For example in 2002 the total workers' remittance was US$1349.80m showing an increase in percentage growth rate of 9.1 % from US$1237.50m of the previous year. This amount dropped to US$ 1061.70 in 2003 showing a negative sign in the percent growth rate of 21.3%. The reason that could be ascribed to such decline is the uncertainty of the election of that year. However there was a sharp increase of the amount from US$2262.3m to US$14455.67m in 2004 and 2005 respectively also showing a growth rate of 113.1% and186.2% respectively. Though the growth rate declined the absolute values of the remittances shows an increase from US$19,785.37m to US$ 20,574.97m in 2010 and 2011 respectively. But if you compare this with the growth rate of FDI, it is very clear that the remittance flow is more impressive. For example, the growth rate of FDI increased from 20% in 2002 to the highest level of 80.1% in.2003 and thereafter there has been a continuous decline. From 12.5% in 2004 to 11.3% in 2006, and appreciated marginally in 2007 to 27.3% and then declined again in 2011 to 10.4%.

Again in the comparative analyses of some selected macroeconomic indicators in relation to gross domestic product (GDP) as shown in Tables 2 and 3, and chart 1.(see appendix i -v) it is observed also that the ratio of remittance inflow is higher than FDI and also higher than what is realized in the non-oil sectors. This data further justify the fact that remittances are a major source of financial resources in the country. Table 3 shows that the highest ratio of FDI to GDP was 9.5 in 2006 and the least was in 2011 where the ratio dropped to 2.60. The ratio of the non-oil sectors to GDP is the smallest with less than one (1) in all the years under consideration. But a comparative analysis of the ratio of remittance inflow to GDP reveals that it accounted for 5.8 in 2005 and increased to 10.8 in 2008.Even when there was a decline in the following years it was discovered that the ratios of 9.1, 8.8 and 9.0 in 2009 ,2010 and 2011 respectively were still higher. This is further demonstrated in tables 1, 2 and 3 and chart 1. (see appendix i - v)

3.3 Percentage of Domestic Investment to Total Remittances

As observed in table 1 and chart 1, we saw fluctuating percentages of the domestic investment in relation to the worker's remittances. In the year 2000, it was 95.84%.This figure increased to 132.60% and 182.18% in 2001 and 2002 respectively. But it dropped to 18.08 and 21.97% in 2006 and 2007 respectively.

However, an increase was noticed in 2008 and 2009 when it recorded 33.23%.The cause of this could be found from the motive behind the remittance. If the purpose was for the upkeep of the home at the origin, it means that such remittances are for domestic consumption and for ostentatious living. But if such remittances are made with the intention to create wealth then such money could be invested for productive ventures. And it is this type of investment that will be useful in the informal sector to grow in developing countries. It was discovered that as a result of security challenges and the facility for money transfer is not trusted most migrants never bothered to remit anything for fear of losing such remittances.

4. Methodology and Interpretation of Results

The data employed for this study were obtained from secondary sources Central Bank of Nigeria (CBN) annual reports and statistical Bulletin of various issues. We used ratios and percentages to compare the relationship between the workers remittances and some macro-economic indicators. Multiple regression using the ordinary least squares (OLS) estimation technique was also adopted because of its relevance and appropriateness to the study. The log transformation of all the variables allows us to interpret the coefficients as elasticities. In order to ascertain the impact of remittance inflow on domestic investment (proxy for informal sub sector) in Nigeria, a regression model was developed and estimated. Information was obtained for relevant variables for the period 2001 to 2012 (Table.4). Apart from the remittances component, the domestic investments are also affected by factors such as exchange rates and inflation rate. It is globally acknowledged that funding gap has always been a major impediment to investment and general economic growth in developing countries. And in most areas, where funds exist, it is always at high unattractive interest rates..

4.1 Model Specification

The estimation procedure follows the adoption of ordinarily least squares (OLS) regression technique. The equation showing the relationship between dependent variable (INVD) and independent variables (REMF,EXCR,INFR) is functionally expressed thus.

INVD = f (REMF, EXCR, INFR) --- (1)

Where
REMF = Remittance Inflow

INVD = Domestic Investment (Proxy for informal sub sector development)
EXCR = Exchange rate
INFR = Inflation rate

Expressing equation (1) in linear form gives

$INVD = \beta_o + \beta_1 REMF + \beta_2 EXCR + \beta_3 INFR + U$ --------------------- (2)

β_o = intercept
$\beta_1, \beta_2, \beta_3$ = are the parameters
U = error term
The a'priori expectations are β_1 , β_2, $\beta_3 > 0$

The variables were expressed in logarithm (log) transformation to allow us to interpret the coefficients as elasticities. So equation 2 is therefore re-specified as follows

$\log INVD = \beta_o + \beta_1 \log REMF + \beta_2 \log EXCR + \beta_3 \log INFR + U$ ---------(3)

The variables are as earlier expressed.

4.2 Regression Results and Interpretation

Equation (3) was estimated using Microfit econometric package (version 4.1) to obtain the results in (Table.4). All the tests were carried out at 5 percent level of significance. The results are as shown and interpreted below.

Tab.4.1: Regression Results

Exact AR(2) Newton-Raphson Iterative Method converged after 4 iterations

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Dependent variable is LNINVD

12 observations used for estimation from 2001 to 2012

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Regressor	Coefficient	Standard Error	T-Ratio[Prob]
CONST	.065498	3.8767	.016895[.987]
LNREMF	.51925	.079588	6.5242[.000]
LNEXCR	.77264	.85617	.90243[.393]
LNINFR	-.054835	.29469	-.18607[.857]

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R-Squared	.93243	R-Bar-Squared	.87612
S.E. of Regression	.25622	F-stat. F(5, 6)	16.5590[.002]
Mean of Dependent Variable	8.3574	S.D. of Dependent Variable	.72796
Residual Sum of Squares	.39389	Equation Log-likelihood	3.3614
Akaike Info. Criterion	-2.6386	Schwarz Bayesian Criterion	-4.0933
DW-statistic	2.1203		

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Parameters of the Autoregressive Error Specification

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U= .043461*U(-1)+ -.32323*U(-2)+E

(.15909)[.879] (-1.1832)[.281]

T-ratio(s) based on asymptotic standard errors in brackets

Log-likelihood ratio test of AR(1) versus OLS CHI-SQ(1)= .3966E-3[.984]

Log-likelihood ratio test of AR(2) versus AR(1) CHI-SQ(1)= 1.2386[.266]

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Author's computation

4.3 Interprtation of Results

The results in table 5 above indicate that the explanatory variables specified in the model shows that the coefficient β_1 of (REMF) from the estimation is statistically significant at 5% level and with the right sign. This revealed that the remittance inflow (REMF) is capable of influencing and affecting domestic investment positively and that the more the remittance inflow, the higher the level of domestic investment and hence the development of the informal sub sector.

Similarly, the exchange rate was not significant but it complies with the economic apriori expectations as it shows direct or positive relationship with the dependent variable. Inflation rate has negative effect or inverse relationship with domestic investment as indicated with the negative sign which is consistent with the literature. It shows that as inflation rate increases domestic investment will decline and vice versa. R- squared which is used to express the coefficient of determination is 0.93. This helps to test the overall performance the model. It shows that explanatory variable were able to explain about 93% of the systematic variation in the dependent variable (domestic investment) while the unexplained 7% is due to error term. The implication of this is that the independent variables collectively influenced the domestic investment in Nigeria. The Durbin Watson (DW) statistic for the model is 2.1 which suggests the absence of serial autocorrelation in the model.

5.1 Summary

From the study we have discovered that the informal sector is an important sector of the Nigerian economy for the roles it plays in providing employment, income, food and as a source of foreign exchange. It was also discovered that the informal sector is plagued with some problems such as:

- Inadequate access to credit facilities and deplorable business environment.
- Improper government policies (failure to forge productive linkages with local and state governments)
- Poor infrastructural facilities (good road networks, energy etc).
- General high cost of business operation.

- Local and regional insecurity (e.g. Bakassi crisis, Boko Haram attacks, Niger Delta unrest, the Liberian and Ivorian wars etc).
- Total assessment of remittances into Nigeria seems impossible and difficult due to inadequate records of actual number of migrants (both legal and illegal) and the Informal modes of transfer of remittances.
- Remittance inflow has positive relationship with the development of the informal sub sector.

5.2. Recommendations and Conclusion

The following recommendations are made with the hope that if they are applied it could considerably checkmate the problems itemized above. Thus the Nigerian government should:

i. Government should make policies that will mandate banks and other financial institutions to provide credit for the informal sector at low interest rate.
ii. Provide good and conducive environment for business to thrive and survive.
iii. Improve on the provision of infrastructures such energy, water and good roads to reduce the cost of doing business.
iv. Focus attention on policy, security and economic needs of local entrepreneurship.
v. Forge partnerships with foreign sponsors of entrepreneurship projects.
vi. Establish structured labour migration where Nigerians (skilled and unskilled) would work on contract arrangement in labour deficient countries.
vii. Ensure that there is migrant education to provide information on the potentials of remittances as a developmental tool as well as the channels available for easy remittances.
viii. There should be incentives to encourage more remittances in form of tax exemptions.

Conclusively, the findings in this paper show a positive relationship between remittance inflows and the growth of the domestic investment (proxy for informal sector) in Nigeria. From the study, remittance was identified as an important source of funds for recipients to meet their basic needs and therefore could be a viable poverty reducing instrument for the recipient. Remittance as a major source of foreign exchange can no longer be ignored (CBN). The government should develop policies that will channel remittances from consumption and meeting just basic needs of the individual to economic activities that could specifically impact positively on the development of the informal sub sector and the economy as a whole.

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Appendix 1

Table 1: Trend of Workers' Remittances and Foreign Direct Investment Growth Rate in Nigeria (US$ Million)

Year	Remittances Inflow (US$ Million) (WR)	Annual Growth Rate (%) of Remittances *	Foreign Direct Investment (FDI)	Fdi Growth Rate (%) (Us$ M) *	Domestic Investment (Us$ M)	Percentage of Domestic Investment on Remittance Inflow (Diri)*	Excr	Infr
2001	1,237.50	0	21,010.00	0	1,186.03	95.84	111.94	18.9
2002	1,349.80	9.1	25,222.00	20.0	1,789.77	132.60	120.97	12.9
2003	1,061.70	-21.3	45,431.00	80.1	1,934.16	182.18	129.36	14
2004	2,262.30	113.1	51,109.00	12.5	1,882.28	83.20	133.50	15
2005	14,455.67	186.2	26,345.03	-48.7	2,322.55	16.01	132.15	17.9
2006	16,854.57	63.3	29,313.81	11.3	3,047.81	18.08	128.65	8.2
2007	17,917.48	69.7	37,329.54	27.3	3,936.70	21.97	125.83	5.4
2008	19,176.72	7.0	45,578.18	22.1	4,957.71	25.85	118.57	15
2009	16,403.29	-14.5	54,227.71	19.0	5,450.02	33.23	148.90	13
2010	19,785.37	20.6	60,326.67	11.2	3,199.32	16.17	150.30	11.8
2011	20,574.97	3.9	66,624.33	10.4	5,748.21	27.93	153.86	10.9
2012							155.38	12.2

Source: *Central Bank of Nigeria and International Financial Statistics (IFS)*

* *Author's computation*

Appendix 11

Table: 2. Some Selected Macroeconomic Indicators

Year	Workers Remittances(WR) (# m)	Non oil Export Earning NOEE (#m)	GDP at Current Basic Prices(#m)	FDI (#m)
2005	1,899,619.59	105,995.9	14,572,239.12	324,656.70
2006	2,149,129.59	133,595.0	18,564,594.73	4,007,515.24
2007	2,235,634.32	192,257.9	20,657,318.67	4,403,765.83
2008	2,258,678.19	247,839.0	24,296,329.29	6,041,843.54
2009	2,710,252.52	289,152.6	24,794,238.66	8,111,380.86
2010	2,938,239.48	397,816.5	33,984,754.13	9,088,816.43
2011	3,139,422.99	485,243.6	37,543,654.70	10,544,633.46

Source: Central Bank of Nigeria Statistical Bulletin various issues.

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Table 3: Ratio of Selected Financial Indicators to GDP and Remittance Inflow

YEAR	FOREIGN DIRECT INVESTMENT (FDI)	WORKERS REMITTA-NCES (WR)	NON-OIL EXPORT EARNINGS (NOEE)	PERCENTAGE OF DOMESTIC IVESTMENT ON REMITTANCE INFLOW (DIRI)
2005	4.0	5.8	0.7	16.01
2006	9.5	7.2	0.7	18.08
2007	3.6	10.7	0.8	21.97
2008	4.02	10.8	0.7	25.85
2009	3.06	9.1	0.7	33.23
2010	2.70	8.8	0.7	16.17
2011	2.60	9.0	0.7	27.93

Source: Computed from the CBN Statistical Bulletin 2011

Appendix IV

Tab.4. Remittance Inflow, Domestic Investment, Exchange rate and Inflation rate

YEAR	REMF	INVD	EXCR	INFR
2001	1,237.50	1,186.03	111.94	18.9
2002	1,349.80	1,789.77	120.97	12.9
2003	1,061.70	1,934.16	129.36	14.0
2004	2,262.30	1,882.28	133.50	15.0
2005	14,455.67	4,978.26	132.15	17.9
2006	16,854.57	4,897.81	128.65	8.2
2007	17,917.48	6,886.78	125.83	5.4
2008	19,176.72	8,248.64	118.57	15.0
2009	16,403.29	8,649.53	148.90	13.0
2010	19,785.37	6.098.96	150.30	11.8
2011	20,574.97	8,914.89	153.86	10.9
2012	20503.70	7,127.39	155.38	12.2

Source: Central Bank of Nigeria various issues

Appendix V

Chart 1: Ratio of selected Financial Indicators to GDP and Remittance Inflow