



COVID-19 AND DIASPORA REMITTANCES TO NIGERIA IN 2020

***ABEGUNRIN, A.O.; **ADENIRAN, E.G.; & ***OLAITAN, O.O.**

**General Studies Department, the Oke-Ogun Polytechnic, Saki, Oyo State*

***Banking and Finance Department, the Oke-Ogun Polytechnic, Saki, Oyo State*

****Accountancy Department, the Oke-Ogun Polytechnic, Saki, Oyo State*

Abstract

Diaspora remittances have become an important source of foreign funds for many developing countries in the last twenty years. For instance, Nigeria's diaspora remittances rose by 126 percent from 2013 to 2018. Meanwhile, the outbreak of Covid-19 pandemic in 2019/2020 paralyzed economic activities across the globe. Coincidentally, remittances from Nigerians in the diaspora declined by 27.7 percent in 2020, according to a report by the World Bank (2021). Therefore, this study examined the correlation between the outbreak Covid-19 pandemic and decline in remittances of Nigerians in the diaspora in 2020. Relying on data from the World Bank and Nairametrics, the study found out that the outbreak of Covid-19 alone was not responsible to the decline in Nigeria's diaspora remittances.

Keywords: *Diaspora, remittances, Covid-19, pandemic, economic*

Introduction

The current pace of globalization, which has become one of the defining features of the contemporary world, has further enhanced transnational movements of people, goods and services across the globe. This has consequently led to increased numbers of diasporic communities in different regions of the world. Specifically, people of third world countries, including Africa, now prefer to migrate to highly industrialized countries of the West in search of greener pastures. Evidence shows that African continent has continued to be the largest contributor to international migration. According to Arthur

(2000), the last two and half decades have witnessed increased migration of Africans to western societies. Similarly, Ogunyemi (2014) notes that international migration has decimated Africa, as highly skilled professionals, business elites and intelligent youths have migrated to industrialized countries of the west. As a result of this, diaspora communities are becoming increasingly important in the economic and political affairs of African countries (Ndlovu, 2014).

Meanwhile, Nigeria appears to be the largest contributor of African migrants to Europe, America and other regions of the globe. Corroborating this position, Ediri and Okonkwo (2020) noted that there are large numbers of Nigerian populations around the world today. To support their argument, they cited the data from the office of the Senior Special Assistant to the President of Nigeria on Foreign Affairs and the Diaspora, who put the figure at about 15 million in 2017. The number of Nigerians travelling abroad to seek greener pastures started to increase significantly in the 1980s, following the economic and political crises in the country. Alakija (2016) noted that majority of earlier Nigerian migrants in the 1990s preferred to settle in the United Kingdom (UK) or Germany.

The number of Nigerians that emigrated between 1960 and 2010

Year	Number (In Thousands)
1960	94.1
1990	447.4
2005	972.1
2010	1,127.70

Source: UNDP Human Development Report, 2009

As shown in the above table, the number of Nigerians travelling abroad increased from 94,100 in 1960 to 1,127,070 in 2010. According to the table the number began to increase in the 1990s. another implication of the table is that there should be at least two generations of the Nigerians in the diaspora. Alakija (2016) attempted to differentiate between the first generation and second generation of Nigerians in the diaspora. According to her, first generation refers to those initial migrants who live in other countries than Nigeria, which is their country of origin or birth; while second generation refers to the children of the

first generation, those who were born in the countries in which their parents settle.

Meanwhile, members of the Nigerian diaspora have been contributing to the economic growth of the country through remittances. This is in line with the position of the World Bank (2010), that remittances of the diasporas have been contributing significantly to the economic growth of many African countries. According to the world Bank, remittances officially recorded for developing countries reached \$334 billion. For instance, Nigerians in the diaspora reportedly sent home \$22 billion in 2017, which was the highest in Sub-Saharan Africa and fifth in the world (World Bank, 2017). This is a reflection of the claim by (Moyo, 2009), that emotional attachment of Africans in the diaspora with their homelands has remained the driving force towards their willingness to contribute to the socio-economic and political development of countries of their origin. Corroborating this position, Akinrinade and Olukoya (2011) added that emotional attachment to homelands is a general characteristic shared by all African diaspora communities. According to them, as a result of this, most of the diaspora communities are willing to serve as agents of transformation and development in their countries of origin, thereby playing important roles in the efforts to open up the continent to developments obtainable in western societies. It is a known fact that the outbreak of the Corona virus disease (Covid-19) pandemic in 2020 disrupted social and economic activities across the globe. Economic activities were shut down, as almost all the countries in which we have Nigerian diaspora communities were locked down. Economic activities were also paralyzed in Nigeria for several months. Data from information retrieved from website of the World Health Organization (WHO) Corona virus disease (Covid-19) pandemic indicates that there were 165,772,430 confirmed cases of Covid-19 across the world, while there were 3,437,545 confirmed deaths across the globe as of May 22, 2021. Coincidentally, remittances from Nigerians in the diaspora declined by 27.7 percent in 2020, according to a report by the World Bank (2021). Therefore, this study examined the correlation between the outbreak of Corona virus disease (Covid-19) pandemic and decline in remittances of Nigerians in the diaspora in 2020.

Statement of the Problem

Migrants' economic remittances have become an important source of foreign funds for many developing countries in the last twenty years. For instance,

despite the global economic crisis that impacted negatively on private capital flows across the globe, remittance flows to developing countries remained resilient, with an estimated growth of 8 percent in 2011 (World Bank, 2010). Specifically, Nigeria's diaspora remittances rose by 126 percent from 2013 to 2018 (Nairametries, 2019). Diaspora remittances to the country increased from \$19.64 billion in 2016 to \$22 billion in 2017, representing 12.02 percent increase. The Nigerian diaspora remittances set a new record in 2018, as the country recorded over \$25. However, the decline in the country's diaspora remittances by 10 percent in 2020 came at a time when the Corona virus disease (Covid-19) pandemic ravaged the world. It is in the light of this that this paper examined the correlation between Covid-19 pandemic and diaspora remittances to Nigeria.

Objectives of the Study

The main objective of the study is to examine the impacts of the Corona virus disease (Covid-19) pandemic on diaspora remittances to Nigeria. Flowing from this are the specific objectives below;

- To examine the progression in diaspora remittances to Nigeria before the outbreak of Corona virus disease (Covid-19) pandemic.
- To examine diaspora remittance flow to other Sub-Sahara African countries during the outbreak of Corona virus disease (Covid-19) pandemic.
- To examine diaspora remittances to the entire Sub-Saharan Africa during the same period of study.

Conceptual Clarifications

Efforts will be made to clarify some of the main concepts in the study. These include; diaspora, African diaspora, diaspora remittances, and Corona virus disease (Covid-19) pandemic.

Diaspora

In order to understand the meaning of diaspora, one needs to view diaspora communities as socio-political formations, whose members regard themselves as of the same ethno-national origin and who permanently reside as minorities in one or several host countries (Shaffer, 2003). In other words, the prevailing definition of diaspora seems to be a group that recognizes its separateness based

on common ethnicity or nationality, lives in a host country, and maintains some kind of attachment to homelands (Lahnaman, 2005). The word “diaspora” was derived from ancient Greek word meaning “to scatter about”. The Collins English Dictionary (2018) defines the word diaspora “as population of migrant origin who are scattered among two or more destinations, between which there develop multifarious links involving flows and exchange of people and resources, between homeland and destination countries. According to Akinrinade and Olukoya (2011), the term diaspora now shares meaning with dispersal, immigration, expatriate, refuge, exile, ethno-national communities and so on. Also, the United Nations (2017) maintained that the word diaspora is now used more generally to describe any large migration n of refugees, language and culture.

African Diaspora

The African Union (AU) defines African diaspora as, “The African Diaspora consists of people of African origin living outside the continent, irrespective of their citizenship or nationality and who are willing to contribute to the development of the continent and the building of the African Union (AU, 2005, cited in Akinrinade and Olukoya, 2011)”. Also, Palmer (2000) cited in Akanmu (2011) further defines African diaspora as: “The modern African diaspora, at its core, consists of the millions of peoples of African descent living in various societies who are united by a past based significantly but not exclusively upon racial oppression and the struggles against it and who, despite the cultural variations and political and other divisions among then, share an emotional bond with one other and with their ancestral continent and who also, regardless of their location, face broadly similar problems in constructing and realizing themselves”. The above definitions give African diaspora communities roles to play in the socio-economic and political development of the continent. The basic assumption is that, if Africans in the diaspora had remained in Africa, they could have assisted other Africans in engendering the development of the continent (Lawal and Ademola, 2013). Expectedly, interest in the study of the African diaspora has grown rapidly in the last one decade (Skjerdal, 2011). The argument here is that African diaspora communities have the capacity to initiate changes in their countries of origin, as members of these communities, in recent times, have proved to be resourceful and innovative.

However, Akinrinade and Olukayo (2011) noted that given the huge number of Nigerians living abroad, it appears that there is no better country to access the nature and impact of the contributions of African immigrants in the diaspora to the continent's socio-economic and political development than Nigeria. According to them, with a population of over 140 million people (now over 180 million people) which makes it Africa's demographic giant, Nigeria has become increasingly involved in international migration worldwide. They added that like other diaspora communities, Nigerians in the diaspora are emotionally attached to the homeland, and are key players in the socio-economic and political transformation of the country.

Diaspora Remittances

Diaspora remittances have been defined differently by different scholars. Kihangire and Katarikawe (2008) defined diaspora remittances as money sent home by migrants working abroad to their home countries. Similarly, the International Monetary Fund (1999) maintained that remittance is limited to money sent by migrant workers who have been staying in a foreign country for more than one year to his/her household in his/her country of origin and this does not include migrants that are self-employed.

Corona Virus Disease (Covid-19) Pandemic

Corona virus disease is a mysterious pneumonia characterized by fever, dry cough, fatigue, and occasional gastrointestinal symptoms, which was first discovered in late December, 2019, in a seafood wholesale wet market, the Huanan Seafood Wholesale Market, in Wuhan, Hubei, China. However, by January, 2020, thousands of people in many provinces of China were attacked by the ravaging disease, and from China, the virus spread to other parts of the world and became pandemic. Data from information retrieved from website of the World Health Organization (WHO) Corona virus disease (Covid-19) pandemic indicates that there were 165,772,430 confirmed cases of Covid-19 across the world, while there were 3,437,545 confirmed deaths across the globe as of May 22, 2021.

Theoretical Framework

The two major categories of remittance theories are the altruism and self-interest (Lucas and Stark, 1985 cited in Ediri and Okonkwo, 2017) Altruism

was coined by Auguste Comte, a French Philosopher of the 19th century. Altruism refers to the attitude and ethical way concerned with the happiness of others. It has been established that one of the major motives of migrants' remittance is based on the altruism drive. A research by Lucas et al. (1985) found out that remitters derived pleasure in ensuring the well-being and happiness of relative-recipients at home. On the other hand, self-interest refers to attitude and concern of members of diaspora communities to send money home in order to ensure their own happiness and well-being. According to Ediri and Okonkwo, the self-interest classification include the following motives: exchange, insurance, investment, inheritance and strategic. These two categories of remittance theories are useful in explaining the motives for diaspora remittances to Nigeria.

Methodology

The study made use of secondary data obtained from websites of reliable organizations such as; the World Bank, World Health Organization (WHO), UNDP, the National Bureau of Statistics (NBS), Nairametrics etc. Data obtained were analyzed using descriptive statistical method.

Defining and Historicizing the Nigerian Diaspora

The current pace of globalization ushered in by the phenomenal technological advancements, especially in the areas transportation and ICT has led to increased movement of people across national boundaries. It has enabled people, either individually or collectively, to move around the world at more convenient and faster pace. Consequently, the last few decades have witnessed both forced and voluntary migration of people from one region of the globe to another for social, political and economic reasons. The attendant result of this is the increased number of diaspora communities across the world. De Montclos (2005) gives an estimated number of 125 million people migrating from one country to another annually. This probably was the reason Akinrinade and Ogen (2011) asserted that the present epoch could reasonably be referred to as the diasporan age.

However, because of the lingering developmental crisis in Africa, the continent has seemingly produced the largest number of international immigrants in contemporary history, as there is constantly the out-flow of people seeking greener pastures outside the continent. Expectedly, Nigeria, which has been

acknowledged as Africa's demographic giant, has become increasingly involved in international migration worldwide (Akinrinade and Ogen, 2011). The Nigerian Ministry of Foreign Affairs (cited in Wapmuk, Akinkuotu and Ibonye, 2014) gives an estimate of about 20 million Nigerian residents in Europe and the United States of America (USA). Specifically, Ifeanyi (2013) estimates that about 3.4 million are living in the United States alone! It should be stressed, however, that these figures might be inaccurate, as Akinrinade and Ogen (2011) noted that reliable statistics on the number of Nigerians residing abroad is generally lacking due to poor record keeping on the part of the Nigerian authorities and other factors. The United Nations Department of Economic and Social Affairs reveals that the net external migration in Nigeria in year 2016 alone was 64, 622.

The important point to note that here is that there are many Nigerian diaspora communities in different parts of the globe, especially in Europe and America. The question now is how to properly put the Nigerian diaspora in perspective? According to Wapmuk, Akinkuotu, and Ibonye (2014), to meaningfully define the Nigerian diaspora, one must begin with a clear understanding of the character of the Nigerian state. The country is a multi-ethnic and multi-religious country that has over 250 different ethnic groups. The Hausa-Fulani, Yoruba and Igbo are the major ethnic groups, while Islam and Christianity are the dominant religions. This apparently is the reason why Nigerian migrants in the diaspora usually come together on the basis of ethnicity and religious affiliations (Akinrinade and Ogen, 2011).

As Wapmuk, Akinkuotu and Ibonye (2014) rightly observe, the Nigerian diaspora does not represent a single homogenous ethnic group, but a number of ethnic groups, whose identities are underpinned by their country of origin. Also, Adebayo (2010) identifies religion as one of the basis upon which Nigerians in the diaspora relate with one another. According to him, the religious background and affiliations of migrant communities play a crucial role in their integration process. Mercer, Page and Evans (2008) maintain that one of the characteristics of the Nigerian diaspora communities in the United Kingdom is interaction based on religious identity.

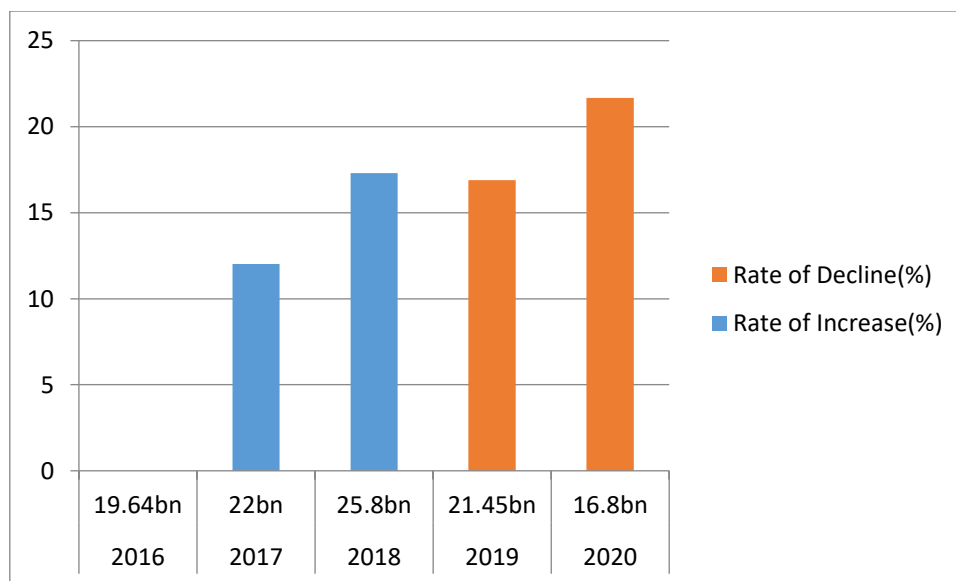
The above mentioned characteristics notwithstanding, the notable constant feature of the Nigerian diaspora in definitions by different scholars is that it refers to group of people of Nigerian origin residing, either temporarily or permanently, in geographical locations outside the territory of the country, and

who are contributing or willing to contribute to the development of the country. Wapmuk, Akinkuotu and Ibonyi (2014) define Nigerian diaspora as those Nigerians, irrespective of their ethnic, religious, geo-political regions, living outside the country and who are desirous or already contributing to the development of Nigeria. Similarly, Akinrinade and Ogen (2011) define it as those Nigerians living outside the country and who are desirous or already contributing to the development of Nigeria.

Results and Discussion

Table 1: Remittances by Nigerians in the diaspora from 2016 to 2020.

Year	Amount (USD)	Rate of Increase (%)	Rate of decline (%)
2016	19.64bn		
2017	22bn	12.02	
2018	25.8bn	17.3	
2019	21.45bn		16.9
2020	16.8bn		27.7



Sources: World Bank, 2021; Nairametrics, 2019

As shown in table one above, the remittances of Nigerians in the diaspora started to decline in 2019, even before the outbreak of Covid-19 pandemic. The table shows that the diaspora remittances dropped from \$25.8 billion in 2018 to \$21.45 billion in 2019. The first reported cases of the Corona virus disease was

in late December, 2019. Therefore, the outbreak of Covid-19 cannot be said to be solely responsible for the further decline in the diaspora remittance from \$21.45 billion in 2019 to \$16.8 billion in 2020. Before Nigeria began to witness decline in diaspora remittances, the country had received \$96 billion diaspora remittance flows in six years (from 2013 to 2018). According to available reports obtained from the National Bureau of Statistics (NBS), remittances from Nigerians in the diaspora rose from \$3.24 billion in 2013 to \$25.8 billion in 2018, indicating that Nigeria’s diaspora remittances rose by 126 percent in six years (Nairametrics, 2019).

Table 2: Remittance growth rate in other Sub-Saharan African countries in 2020

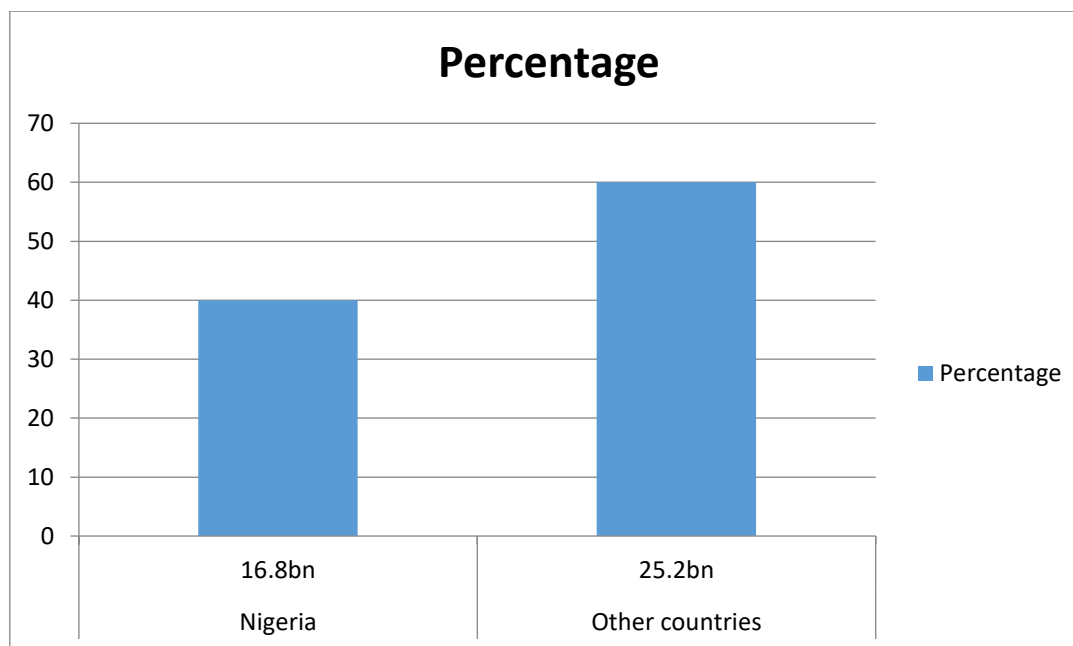
Country	Remittance Growth Rate (%)
Zambia	37
Mozambique	16
Kenya	9
Ghana	5

Source: World Bank, 2021.

The above table shows that some Sub-Sahara African countries recorded diaspora remittance growth in 2020, despite the outbreak of Covid-19 pandemic. According to a World Bank report titled: “Defying Predictions, Remittances Flows Remain Strong During Covid-19 Crisis”, some Sub-Sahara African countries including; Zambia, Mozambique, Kenya and Ghana recorded remittance growth in 2020. Zambia recorded 37 percent diaspora remittance growth; Mozambique recorded 16 percent growth, Kenya recorded 9 percent growth, while Ghana recorded 5 percent growth. It will be logical to reason that if some Sub-Saharan African countries whose numbers of citizens in the diaspora are less than the number of Nigerians in the diaspora could record growth in the remittance flows to their countries during the Covid-19 pandemic, the decline recorded in the remittance flow to Nigeria in 2020 could not be entirely due to the outbreak of the pandemic. Even, World Bank in its 2021 report admitted that remittance flows remains strong during the Covid-19 crisis. In fact, if Nigeria is excluded from the data, the remittance flows to Sub-Saharan Africa increased by 2.3 percent in 2020 (World Bank, 2021).

Table 3: Nigerian’s contribution to Sub-Saharan African remittances in 2020

Country	Contributions(USD)	Percentage
Nigerian	16.8bn	40
Other Countries	25.2bn	60
Total	42bn	100



Source: World Bank, 2021.

As shown in table 3, Nigeria contributed 40 percent to the remittance flow to Sub-Sahara Africa in 2020. The remittance to the region during the period was \$42 billion, according to the World Bank report. The report indicated that remittance to Sub-Sahara Africa declined by an estimated 12.5 percent due to a decline in the remittances to Nigeria that contributed the largest amount to diaspora remittances to the region. The World Bank (2021) observed that in the report that the decline in flows to Sub-Sahara Africa was almost entirely due to a 27.7 percent in remittance flows to Nigeria.

Conclusion

The number of Nigerians travelling abroad in search of greener pastures began to increase in the 1980s and 1990s due to economic and political crises in the country. Today, there are many Nigerian diaspora communities in different

parts of the globe, especially in Europe and America. Scholars have identified emotional attachment to the homeland as one of the major characteristics shared by all Nigerian diaspora communities. As a result of this, Nigerians in the diaspora have over the years demonstrated their readiness to contribute to the socio-economic and political development of the country. Meanwhile, it has been established diasporic communities have been contributing significantly to the country's economic growth through remittances in the last twenty years. Remittances from Nigerians in the diaspora rose from \$3.24 billion in 2013 to \$25.8 billion in 2018, indicating 126 percent increase within a period of six years. However, the outbreak of Covid-19 pandemic that crippled economic activities across the world raised concerns over the fate of diaspora remittances to developing countries. Coincidentally, diaspora remittances to Nigeria in 2020, the very year the pandemic ravaged the world, declined by 27.7 percent. According to a 2021 World Bank report, diaspora remittances to Nigeria declined from \$21.45 billion in 2019 to \$16.8 billion in 2020. But despite this, Nigeria remained the largest contributor to the remittances to Sub-Sahara African countries, with 40 percent of the \$42 billion the region recorded during the period of our study coming from Nigeria alone. Although, remittances to Sub-Sahara Africa declined by an estimated 12.5 percent in 2020, some countries in the region recorded growth in remittance inflows. These countries include; Zambia (37 percent), Mozambique (16 percent), Kenya (9 percent) and Ghana (5percent).

As affirmed by World Bank in its report titled "Defying Prediction, Remittances Flows Remain Strong During Covid-19 Crisis", the outbreak of Covid-19 pandemic alone cannot be said to be responsible for the decline in remittance flows to Nigeria in 2020. This is because of the fact that the country witnessed declined from \$25.8 billion in 2018 to \$21.45 billion in 2019, even before the outbreak of the pandemic. Also, the growth in diaspora remittances recorded by some other Sub-Sahara Africa countries (whose citizens in the diaspora are less than the number of Nigerians abroad) in 2020 is another pointer to the fact that the declined recorded in Nigeria was not entirely due to the outbreak of Covid-19 pandemic. According to the World Bank report, "excluding Nigeria, remittance flows to Sub-Saharan Africa increased by 2.3 percent".

Recommendations

It has been observed that the decline in the remittances of Nigerians in the diaspora by 27.7 percent in 2020 might not be entirely due to the effects of

Covid-19 pandemic. The country started recording decline in the diaspora remittances since 2019. Therefore, it is recommended to the Nigerian government should come out with measures, through relevant government agencies, to ensure that all diaspora remittances are henceforth officially recorded.

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