

Economic Transformation in Nigeria: any Role for Migrant Remittances

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Abstract

Remittances play a potentially positive role as a tool for stimulating development and transformation of recipient countries, especially developing ones like Nigeria where remittances are an important source of foreign exchange. Available data indicates that Nigeria is one of the countries with the highest inflow of migrant remittances which, if well utilized, could lead to the economic transformation of the country. The paper used an error correction model and data from 1977 to 2009 to investigate whether or not migrant remittances have any developments impacts. Specifically, we tested whether or not there a long run relationship between output growth and remittances in Nigeria. The findings indicates that remittances had positive effect on Nigerians per capita income implying that remittances can increase savings, capital accumulation and productivity and output growth.