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Cross Border Migration and Unemployment in Nigeria and Benin Republic, 1999-2020

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Abstract

Purpose: This paper explored nexus between the cross-border migration and unemployment in Nigeria and the Benin Republic comparatively between 1999 and 2020.

Methodology: The study adopted classical migration theory as the theoretical framework and data were sourced from the secondary Sources such as; Journal articles, bulletin, newspaper the United Nations, World Bank development index, International Monetary Fund, and international organizations for migration. The data collated were analyzed using descriptive statistics and Pearson correlation coefficient.

Findings: The findings revealed that there is a significant negative relationship between cross border migration and unemployment in Nigeria while for Benin Republic; there is a negative but insignificant relationship between cross border and unemployment. The paper thus concludes that cross border migration reduces the rate of unemployment in Nigeria, but has no impact in Benin Republic.

Unique Contribution to Theory, Policy and Practice: The paper recommended that; for policymakers in both countries there is need for a stronger legal framework for a cross border movement of people, including enhanced institutions and control of immigration; also, there should be zero tolerance on corruption, and the need to create jobs for the teeming youths.

Keywords: *Benin Republic, Cross border, Migration, Nigeria, Unemployment,*

Introduction

Cross Migration is the movement of any individual across international boundaries or within a state away from his /her place of origin irrespective of the individual legal status; whether voluntary or involuntary from one place to another. The unemployment rate is the share of the unemployed age (15-64) in the total labour force (the sum of employed and unemployed person age (15-64)). According to the standards of the International Labour Organizations (ILO,2012), unemployed persons comprise those persons who report that they do not have a job during the reference week, that they are much ready to work, and have actively searched for work during the four weeks before the interview. Generally, analysis of the empirical studies on migration and unemployment is plagued with conflicting findings. Some of the studies contend that migration negatively affects unemployment, while some argue that it has a positive impact, others are of the view that there is no significant relationship between migration (Immigration and emigration) and unemployment. Therefore, the existence of a widely accepted relationship between migration and unemployment cannot be agreed upon in the literature, hence the findings are inconclusive. It is against the above-stated background that this study is being carried out.

Literature Review Cross Border Migration and Unemployment

There is this skepticism on whether migration would cause a rise in unemployment amongst native-born populations. These concerns are of particular relevance in European countries where unemployment is often high. Kaczmarczyk (2012), argued that on the impact of emigration on the emigrant country's labour market when analyzed critically suggests the following:

In the short term, emigration affects employment/unemployment; In the medium term, emigration leads to pressure on wages, which is the structural characteristics of emigration have a vital role to play;

In the long-term emigration, affects the structure of the economy (e.g capital labour ratio). However, empirical evidence tends to find a positive impact of migration on the host countries, while the impact on the emigrant countries is not clear (IMF, 2016). Although studies on the impact of migration on emigrant countries are theoretical rather than empirical, emigrants can have different impacts in terms of changes in wages and the employment levels of the natives as well as changes in productivity and Economic growth (Asch, 1994).

For instance, the study by Skuflic and Vukovic (2019), investigated the effects of emigration on emigrant countries, and unemployment rates (short-term) in selected EU emigrant countries. Using panel data analysis from 2004 to 2015, the study revealed that emigration increases the unemployment rate in emigrant countries. This suggests that besides the general expected positive impact in terms of a decline in unemployment, emigration could also have a far-reaching impact on emigrant countries' labour markets. Such results points to those structural issues in the

labour market caused by emigration, (i.e an increase in labour supply and demand mismatch). In another study, Kilic, Yuceson, and Ozekicioghi (2019) examined the relationship between migration and unemployment in 23 OECD-selected countries using panel data analysis. The study indicated that migration has a negative and statistically significant impact on unemployment.

The work of Abdelmoneim and Litchfield (2016) investigated the impact of migration on household welfare, in particular, the consumption expenditure in Ethiopia using cross-sectional data gathered from 1,200 rural households from four different regions in 2014. Using Heckman selection model to analyze the extent household has gained from having a migrant. The findings suggest that migration on average had a positive effect on the rural living standards but the gains across consumptions are unevenly distributed. The study further revealed that poorer households experience a reduction in living standards by having a migrant. However, studies that examined the interrelationship between migration and unemployment were highly focused on the effects of migration on labour markets. Again the relationship between migration and labour markets deals with three categories of literature: These include the impact of migration on employment/unemployment; the impact of migration on wage levels, and the effects of migration on productivity. For instance, the study by Marr and Siklos (1994) examined the relationship between immigration and unemployment rates by employing a time series analysis for Canada. Their findings indicate that an increase in unemployment rates decreased migration rates before 1978, while in 1978 there was a positive and statistically significant relationship between migration and unemployment. Concurrently, Finnie (2000) investigated the relationship between migration and unemployment in the provinces in Canada, using logit models and data from 1982 – 1995. The result suggested that migrations in rural areas are lower than the urban areas and that unemployment in urban areas had a positive relationship with migration. In another study, Mete (2004) analyzed the nexus between migration and GDP per capita and unemployment using the Granger causality test and data from 1981 – 2007 in Finland. The study found that there was no statistically significant causality between migration and GDP per capita and unemployment. Similarly, Epiphany and Grancia (2005) examined the relationship between regional migration, unemployment, and trade using spatial econometric techniques. The findings indicate that migration has various adverse impacts on regional unemployment in the short and long term, and in the short term, migration can reduce unemployment by creating a positive impact on regional unemployment but in the long term, migration will lead to an increase in regional unemployment.

The study by Longhi, Njikamp, and Poot (2006), examined whether migrants will lead to the termination of the appointment of domestic workers, with 165 estimates from 9 studies employing meta-analytical techniques for different OECD countries. The findings suggested that the 1% increase in the number of migrants led to an increase in employment of 0.0024% and this

impact was a little higher in women than men. Also, the negative employment effects of migrants in Europe are larger than in the United States. Also, another study by Kulkolharn and Potipiti (2007) examined the relationship between migration, wages, and unemployment using the ordinary least square method in Thailand in 2001 – 2005. Their findings revealed that there was no statistically significant relationship between migration and wages. On the other hand, migration has a statistically significant relationship with unemployment; they further concluded that migration impact unemployment negatively. Contrary to the above study; Islam (2007) investigates the nexus between immigration and unemployment in Canada using causality and co-integration tests using data from the quarterly unemployment rate and immigration rate in Canada. The study found that causality between migration and employment and also long-term migration had no impact on unemployment. In a related study, Fleischmann and Dronkers (2010) analyzed unemployment among immigrants in the labour market in Europe from 2004 – 2005; using a survey method the findings suggest that the rate of unemployment of migrants is higher in places where the natives are densely populated sparsely populated. Another study, Troshchenkov (2011), examined the impact of migration on unemployment rates in Denmark employing data from 2007 – 2009. Using the least square regression, the findings indicated that the migration does not cause any visible change in unemployment rates.

In a related study, Heid and Larch (2011) investigated the nexus between migration, trade, and unemployment in 24 selected OECD countries using data from 1997 – 2007. The study found that migration has a statistically significant negative effect on unemployment. Also, the study by Darkwah and Verter (2014) Analyzed the determinants of migration covering a period, from 1991 – 2011 and employing data from Nigeria. Using a time series, the study revealed that there is a positive relationship between immigrants and unemployment. In a related study, Chumunorwa and Mlambo (2014) investigated the impact of the immigrant labour force on unemployment in South Africa, employing ordinary least square regression and data from 1980 – 2010. The result suggests that there is a positive relationship between migration and unemployment. On the contrary; Latif (2015) analyzed the nexus between migration and unemployment at a provincial level in Canada using panel data analysis. The findings revealed that there is a weak negative relationship between migration and unemployment. In a related study, Riosavila and Conavire-Bacarreza (2016) examined the effect of immigration on unemployment, using survey data from 2001 – 2013 in the United States. The study found that migration does not have a strong effect on unemployment but the effect of migration was much stronger on the young and less educated people. In another study, Celik and Arsian (2018) analyzed the relationship between immigration and unemployment in Turkey using data from 2014 – 2016. Employing Spearman correlation analysis the study revealed that there is a strong positive relationship between migration, emigration, general employment, and youth unemployment. On the contrary, Serttas and Uluoz (2021) examined the labour market effect of

the influx of Syrian refugees in Turkey. Using Ordinary Least Square and Canonical Co-integration Regression (CCR). The findings revealed that there is a significant and negative relationship between the level of unemployment in Turkey and the number of Syrian refugees in the long run.

THEORETICAL FRAMEWORK

This study is anchored on the Classical Migration Theory, though theory has several strands, each explaining the reasons for migration. The Economic Evaluation of migration includes both the redistribution of labour and the search for opportunity. The search for greener pasture, better livelihood, and education e.t.c, For instance, Lebhast (2005) argue that the labour movement is due to inequality in the labour market at different places. However, Ravenstein (1889), in Ravenstein's law of migration, argues that the search for opportunity is the main rationale for migration. The Neo-Classical Theory is a strand of classical migration theory posits that the, movement of labour is due to discrepancies in real wages between countries, and migration of labour brings stability to the international labour market which eliminates the wage disparities between the countries. The theory further argue that the unequal distribution of capital and labour at the general level causes inequality in wages and these leads to migration. The migrant move to a conducive environment for better job opportunities where wages, employment, and other economic conditions are more constructive. The Neo-classical micro approach of migration (the theory of New Economics of Migration), Considers both labour market as well as the conditions of other markets such as the capital market, and unemployment, as a reason for migration. Mobility in Nigeria and the Benin Republic is premised on the fact that migrants move away (emigration) from those factors that threaten the individual survivals such as factors, like unemployment and disparity in wages, to a better place for a more favourable and better job and economic opportunities.

Methodology

The study utilized a secondary method of data collection; data were sourced from textbooks, journal articles, the World Bank development index, website of the International Organizations for Migration. Data collated were analyzed using Descriptive statistical tools and the Pearson correlation coefficient.

Analysis and Discussion of Result

Table 1: Descriptive Analyses of the relationship between cross border migration and unemployment in Nigeria and Benin Republic

Years	Nigeria		Benin Republic	
	Migration (as % of Pop)	Unemployment	Migration (as % of Pop)	Unemployment
1999	-0.10	4.4010	0.02	0.8760
2000	-0.08	4.5421	0.21	0.8335
2001	-0.08	4.3960	0.21	0.8160
2002	-0.13	4.3990	0.33	0.7130
2003	-0.13	4.4030	0.34	0.6900
2004	-0.16	4.3970	0.34	0.7290
2005	-0.17	4.3970	0.45	0.7690
2006	-0.09	4.3040	0.22	0.8050
2007	-0.21	4.2150	-0.53	0.7830
2008	-0.20	4.1300	-0.58	0.7320
2009	-0.20	4.0480	-0.52	0.7880
2010	-0.20	3.9710	-0.50	0.9670
2011	-0.15	3.8990	-0.46	1.0400
2012	-0.20	3.8260	-0.47	2.6460
2013	-0.18	3.7610	-0.43	2.7350
2014	-0.22	3.7000	-0.32	2.6660
2015	-0.19	4.5600	-0.21	2.5410

2016	-0.19	4.3100	-0.12	2.4630
2017	-0.07	7.0600	-0.10	2.4190
2018	-0.17	7.0430	-0.09	2.1800
2019	-0.23	7.4341	-0.13	2.3421
2020	-0.18	7.5456	-0.32	2.5466

World Bank Development Index, 2020 Edition

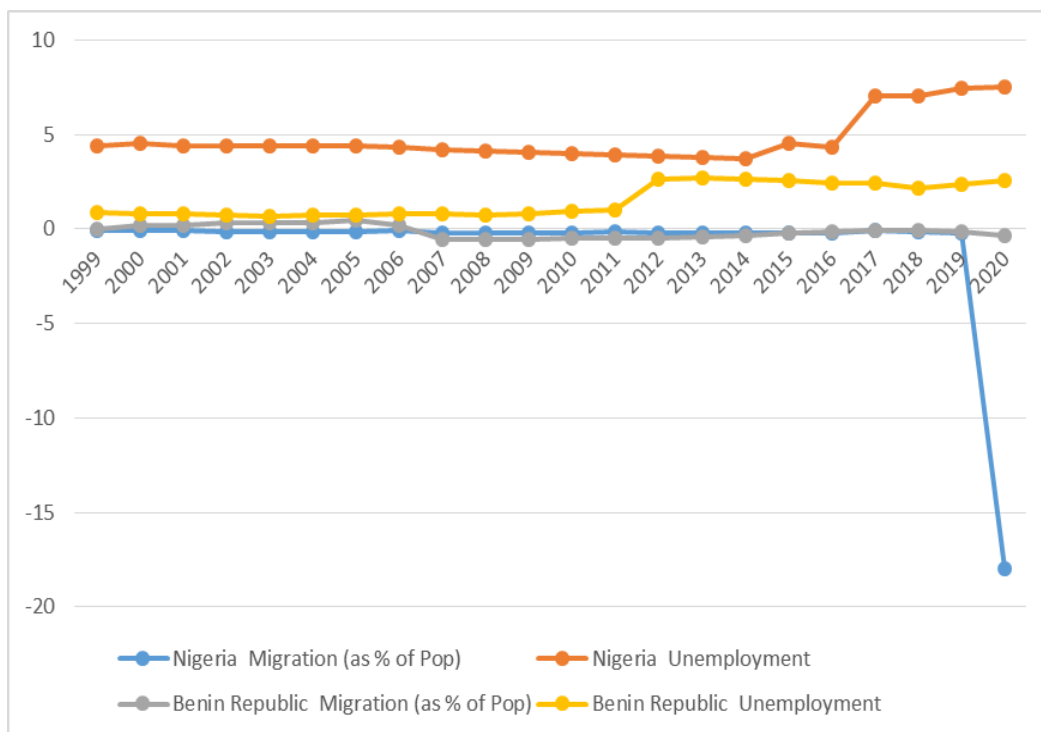


Figure 1: Trend Analysis on cross border migration and Unemployment in Nigeria and Benin Republic

The result on Figure above suggests that Nigeria has higher unemployment rate than Benin Republic. The trend for Nigeria and Benin maintained a stable and unitary state, until 2011 when that of Benin went up and retain a new stable unitary state. For that of Nigeria, the unitary state was swing upward in 2016 and gained a new higher unitary state till 2020. The trend tend to surmise that the unemployment state in both countries has remained unabated over the years.

The relationship between cross border migration and unemployment in Nigeria and Benin Republic using Correlation Analysis

Table2: Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 Unemployment (NIg) & migration (Nig)	22	-.500	.018
Pair 2 Unemployment (BR) & Migration (BR)	22	-.375	.086

The Pearson correlation coefficients are -0.500 for Nigeria and -0.375 for the Benin Republic. This connotes a weak negative correlation for Nigeria and a very weak negative correlation for the Benin Republic. The statistical probability value for Nigeria and Benin Republic are 0.018 (<0.05) and 0.086 (>0.05) respectively. The p.value for Nigeria is less than 0.05 level of significance while the p.value for Benin Republic is greater than 0.05 level of statistical significance. Thus, the study posits that there is a significant negative association between the level of unemployment and net cross border migration in Nigeria. However, the p.value for Benin Republic shows an insignificant association between unemployment and cross border migration. This suggests that cross-border migration has an effect in reducing unemployment in Nigeria, but has not significantly impacted unemployment in Benin.

DISCUSSION ON CROSS-BORDER MIGRATION AND UNEMPLOYMENT

Figure 1, the trend analysis on the relationship between cross-border migration and unemployment in Nigeria and Benin Republic. For Nigeria there was a fluctuation in the cross-border movement between 1999 and early 2010; while the unemployment rate moved slight upward from 1999 through 2014 and then downward till 2014, before it moved steeply up and down, fluctuating between 2015 and 2020. Unemployment trended in the opposite direction with Cross border migration, particularly those periods that witnessed steep fluctuation. This implies that cross-border migration reduces unemployment. While Benin Republic witnessed a similar trend, a negative relationship between cross-border migration and unemployment. This suggests a negative relationship between cross-border migration and unemployment. Hence, an increase in cross-border flow tends to reduce unemployment. This implies that cross-border migration reduces unemployment in Nigeria and the Benin Republic. This result concurs with the findings of Kilic, Ozekicioglu & Yucesan, 2009; Skulflic & Vukovic, 2009; Chamunorwa & Mlambo,

2014, Celik & Arsian, 2018; Kulkokam & Potfiti, 2007; Larch & Heid, 2011, whose findings revealed that migration reduces unemployment.

The implication of this is that, those countries experiencing a net increase in immigration recorded decrease in the rate of unemployment in the same period. In the host communities migrants are engaged in a paid job, the skilled ones might be employed in a higher job while the unskilled migrants are employed to do menial jobs; as such migrants provide cheap labour which will attract the establishment of more industries where more people will be employed and this will lead to high productivity in the host communities and increase in wage bills, mount pressure on the labour market and push the natives to higher tasking jobs. There will be too much pressure in the system and this could lead to jealousy for which if not well managed could lead to xenophobic attacks. However, in the migrant country of origin, there will be vacuum/vacancies to be filled and there will be fewer individuals to fill the vacancies and which may result in labour mismatch and poor industrialization because of the absence of cheap labour. These will discourage the establishment of more industries but rather some of the few ones present will be shut down because of lack of manpower, when this happens; there will be no place to work and this will deplete the sources of income. However, these findings affirms classical migration theory Push and Pull factors of migration (Lee 1964) which postulates that people move across the boundaries of their states for greener pastures, such as employment, better wages, income differentials, and a better standard of living.

Furthermore, for the host communities, some of the less educated ones might be out of jobs thereby sliding back into poverty. Unemployment is one of the contributing factors to poverty in Nigeria and the Benin Republic. When people are not engaged, their means of livelihood reduces with time. The cost of living becomes high and the standard of living declines. Many people in both Nigeria and the Benin Republic lack the opportunity of being employed. The formal employment rate in Nigeria and the Benin Republic are 7.0 percent and 2.1 percent respectively (World Bank Development Index, 2020). According to Teshome (as cited in Chimobi, 2010) the African Development Indicators report of the World Bank showed that education was once seen as the surest access to gainful employment, but that no longer holds sway. This is the case for Nigeria; the fact that there are limited job vacancies in the country and government resources is misappropriated. Poverty resulting from unemployment engenders crime, both property crime and violent crime. Most unemployed youths resort to crimes such as car snatching, armed robbery, kidnapping for ransom, organ harvesting, internet fraud, and other forms of criminal activities. The proceed realized from these acts are barely sufficient to cater for their basic needs.

Conclusion

This paper examined the nexus between cross border migration and unemployment comparatively in Nigeria and Benin Republic from 1999 to 2020. Using Descriptive statistics and Pearson coefficient the findings revealed that there is a significant negative association between cross border migration and unemployment in Nigeria and for Benin Republic a negative but insignificant association between cross border migration and unemployment. Thus, it concluded that cross border migration reduced unemployment in Nigeria but had no impact in Benin Republic.

Recommendations

Based on the findings above, the following recommendations were made:

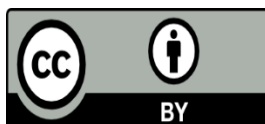
There is need for policymakers in both countries to implement a stronger legal framework for a cross border movement of people, including enhanced institution and control of immigration; also there should be zero tolerance for corruption and misappropriation of resources in these countries; there is the need to create jobs for the teeming youths.

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