

The Impact of Migrant Remittances and Poverty in Nigeria (1991 - 2024)

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Abstract: *Despite substantial inflows of migrant remittances into Nigeria, poverty levels continue to rise. This study examined the relationship between migrant remittances and poverty in Nigeria. The study used the ex post facto research design and analyzed annual data covering the period 1991–2024. Data were sourced from the Central Bank of Nigeria (CBN), and the World Development Indicators (WDI). The Autoregressive Distributed Lag (ARDL) model and the Pairwise Granger Causality test were employed for estimation, with inferences drawn at the 5% level of significance. The results revealed that remittances had a positive and statistically insignificant effect on poverty in the short run ($\beta = 0.5449$; $t = 1.0191$) and a negative and statistically significant effect in the long run ($\beta = -3.6515$; $t = -3.5327$). The study concluded that migrant remittances play a significant role in reducing poverty in Nigeria, particularly in the long run. The study therefore recommended that the government prioritize policies that encourage and facilitate remittance inflows by reducing transaction costs, expanding access to formal financial services, and promoting the productive use of remitted funds.*

Keywords: migrant remittances, poverty, Nigeria, autoregressive distributed lag

JEL Classification Codes: F22, F24, I32, O15

INTRODUCTION

The growing trend of international migration, driven by economic, political, and institutional factors in both origin and destination countries, has significantly increased migrant remittance inflows to developing economies (Khondker, 2023). Threatening forces from migrants' countries of origin include communal or political crises, poor governance and institutional quality, widening inequality, and declining standards of living, which have deepened poverty in those countries. Remittances have been seen as a way out of poverty for rural households in developing countries because they provide extra income beyond the meager earnings from agricultural and other

subsistence activities. This has increased consumption and improved household living standards (Ugwu & Ehinomen, 2019). At the global level, remittances currently stand at more than threefold the level of official development assistance and more than 50 percent higher than foreign direct investment (Ratha, 2021). The inflow of migrant remittances has exceeded other capital inflows, such as Foreign Direct Investment (FDI) and Official Development Assistance (ODA) (World Development Indicators, WDI, 2020). It is estimated that remittance flows to low- and middle-income countries (LMICs) reached \$ 589 billion in 2021, a 7.3 percent increase over 2020.

In Nigeria, the inflow of migrant remittances has increased from US\$10 million in 1990 to a projected US\$17.2 billion in 2021, making Nigeria the largest recipient of remittances in Sub-Saharan Africa (Africa Business Insider, 2021; NBR, 2025). More so, remittances to developing countries are noted to be more stable than other financial flows during economic and financial crises. Such stability in the inflow of migrant remittances to poor countries has been argued to have contributed to household consumption and poverty reduction. Migrant remittances are often regarded as critical mechanisms for improving the well-being of impoverished populations (Ada et al., 2024).

Despite the increasing volume and stable nature of migrant remittances to Nigeria, as noted by international organizations like the World Bank and IMF, and previous studies (Kangmennaang et al., 2017; Ratha, 2021), relatively little attention has been given to the impact of migrant remittances on household consumption smoothing and poverty. Consumption may fluctuate due to instability in macroeconomic variables such as remittance inflow, inflation rate, exchange rate, and oil price, among others, which can adversely affect the living standards of the people. Additionally, it has been argued in the literature that remittances are countercyclical, helping poor households to buffer against both internal shocks (political and economic instability, sudden job loss) and external shocks (global financial and economic crises) at the consumption level.

Previous studies have rarely examined the impact of migrant remittances on household poverty levels in Nigeria. However, the few studies (Adeseye, 2020; Olowa & Awoyemi, 2020; Adu-Darko, 2019) adopted a survey method and questionnaires and did not address the time horizon of the influence of migrant remittances on poverty in both the short run and long run in Nigeria.

In light of the above, this study seeks to fill the existing empirical gap by examining the impact of migrants' remittances on poverty in Nigeria from 1991 to 2024, amid the rising poverty rate during the study period. Thereby, the objective of this paper is to examine the extent to which migrant remittances impact poverty in Nigeria context. In addition to the introduction section, which occupied Section One, Section Two presents the literature review. Furthermore, Section Three details the methodology, while Section Four presents the results and discussion, and Section Five entails the conclusion and recommendations.

LITERATURE REVIEW

Theoretical Literature

Theories exist in the economic literature that explain the link between remittances and poverty, among which are;

Altruism Approach: This approach to migrant remittances first appeared in the work of Auguste Comte in 1858. Later, economists such as Stark (1985, 1988) built on Comte's ideas, developing the "tempered altruism hypothesis," which proposes that migrants send remittances to compensate family members' income shortfalls, whether for consumption or investment. Since then, this hypothesis has been understood to hold that the utility of an altruistic individual depends not only on his consumption but also on the well-being of the individuals with whom he is concerned.

Neoclassical Theory of Poverty

The neoclassical theory of poverty was developed by Marshall in 1890, and the theory emphasized the role of inequality in the initial distribution of endowments - capital, skills, and talents- which influences the productivity of a person(s) in generating poverty within a market-based competitive economic system. Building on the classical tradition, neoclassical theory stresses the role of the unequal initial endowments of talents, skills, and capital, which determine the productivity of an individual in generating poverty within a market-based competitive economic system. Market failures such as externalities, moral hazard, and adverse selection, as well as incomplete information, are also viewed as aggravators of poverty (Davis, 2007). Uncertainty may play a major role in causing poverty because the poor are more vulnerable to shocks to their well-being (e.g., recessions, sickness, family breakdown) (Banerjee & Duflo, 2012).

Market failures such as adverse selection, moral hazard, externalities, and incomplete information are also viewed as aggravators of poverty (Davis, 2007). Moreover, uncertainty may play a vital role in engendering poverty. This is because the poor are more susceptible to shocks (such as family breakdown, sickness, and recessions) affecting their living standards and well-being (Davis & Sanchez-Martinez, 2014).

Both the Altruism Approach and Neoclassical Theory of Poverty provide useful information on the nexus between emigrant remittances and poverty in Nigeria. Despite their divergence in their explanations of the pathways through which remittances influence poverty, they agree on the notion that remittances contribute to household welfare improvement and reduce poverty. However, among the two theories, the Neoclassical theory of poverty is considered the most suitable anchor for this study because it explicitly links migration decisions and household welfare outcomes. Therefore, the study adopts insights from the two theories while relying primarily on the Neoclassical theory of poverty for the investigation of the impact of migrant remittances on poverty in Nigeria from 1991 to 2024

Empirical Literature

Awan et al. (2024) examined the role of foreign remittances in poverty alleviation utilizing the panel data set of Asian countries, precisely nine developing countries from 1990 to 2019. For the dependent variable, this study uses the poverty gap, and the independent variables are Remittances as a percentage of GDP, per capita GDP, External debt as a percentage of GNI, and Trade openness as a percentage of GDP. The findings reveal that foreign remittances have a significant role in alleviating the poverty gap. The results of the random effect model showed that a 1% increase in international remittances as a percentage of GDP led to a decrease of 65.932% in the poverty gap at the \$1.90 poverty line in the sample developing economies. In addition, the results indicate that trade openness and per capita GDP decrease poverty, and external debt seems to increase poverty.

In another study, Chea (2023) analyzed the impacts of remittances on household poverty and inequality in Southeast Asia. Using data from the 2014 Cambodia Socio-Economic Survey and applying the Heckman model, the findings of the study showed that at the national level, remittances contribute to poverty by 2 percent or 5 percent for recipient households. In addition, the study noted that remittances reduced the poverty gap by 2.5 percent or 6.6 percent for a sub-sample of recipient households. However, the results revealed that remittances increased inequality by one percent.

Additionally, Jammeh and Cole (2023) examined the effects of international migrants' remittances on households' poverty and welfare levels in the Gambia. Using a nationally representative survey sampling 13,281 households and applying poverty decomposition and propensity score matching methods to minimize potential endogeneity problems, the findings revealed that remittance-receiving (RR) households fare much better than similar non-remittance-receiving (NRR) households in that they have a lower incidence, depth, and severity of poverty levels, lesser probability of falling below the annual food poverty line. Also, the RR households are more inclined to believe that poverty reduction is a priority of the government and, perhaps, more optimistic about the country's direction. Mostly, no differences in subjective welfare levels exist between the RR and similar NRR households in the urban sample.

Also, Amaka et al. (2023) examined the impact of remittances on poverty reduction in Nigeria from 1986 to 2021 using the error correction model (ECM) analytical technique. Based on the neo-classical theory of poverty and migration, the independent variables used in this paper include remittance inflow, real gross domestic product per capita, foreign direct investment, financial market access, trade openness, and inflation rate. Data for this paper were sourced from the Central Bank of Nigeria (CBN) Statistical Bulletin of various issues, and the World Bank Development Indicator (WDI). The findings showed that a unit increase in remittances results in a 0.1138 unit decrease in poverty rate. Also, real gross domestic product per capita, foreign direct investment, and financial market access all have negative relationships with the poverty rate, decreasing the poverty rate by 41.39, 0.399, and 0.0312 units, respectively. Meanwhile, inflation has a negative relationship with the poverty rate, while trade openness has a positive relationship with the poverty

rate. The result also showed that the error correction model suggested an adjustment rate of 7.57% of the model to long-run equilibrium.

Likewise, Akinbobola (2023) investigated the impact of migrant remittances on poverty and the moderating effect of financial development on migrant remittances–poverty reduction utilizing DOLS from 1981 to 2021. Also, CCR and FMOLS techniques were also employed as robustness checks to authenticate the consistency and veracity of the DOLS results. Using DOL, FMOLS, and CCR, the results established those migrant remittances significantly damped down poverty in Nigeria. The findings further indicate that overall financial development and its other three indicators (financial institutions depth index, financial institutions access index, and financial institutions efficiency index) in Nigeria considerably intensify the reduction effect of migrant remittances on poverty.

Furthermore, Kayani (2022) investigated the impact of remittances on poverty in Uzbekistan by taking variables like remittances, poverty size, capital formation, per capita GDP, savings, and unemployment for the period of 2008-2019. Ordinary Least Squares Regression was applied, and the results show an insignificant relationship between foreign remittances and poverty reduction. The reason could be that remittances in Uzbekistan are not pro-poor, as mostly the workers from rich families migrate to Russia. Furthermore, most of the migrant workers prefer to settle down in Russia along with their families.

Lastly in this section, Kafayat and Aras (2022) explored the extent to which poverty incidence has been influenced by workers' remittances in Nigeria for the period spanning 1981 to 2020. The Vector Auto-regressive (VAR) and Auto-regressive Distributed Lag (ARDL) techniques were utilized in data analysis. The results of the ARDL estimate showed that workers' remittances significantly enhanced poverty incidence in Nigeria, while the VAR estimate showed the absence of causation between poverty and workers' remittances in Nigeria. This study concludes that workers' remittances have not contributed significantly to poverty reduction in Nigeria.

The review of studies on remittances and poverty showed that most studies focused on Asian countries, South Asia, Gambia, Uzbekistan, and other middle-income economies, while only a few examined Nigeria specifically. Additionally, most Nigerian studies ended in 2020, excluding recent developments in remittance inflows and poverty. Given this time-scope limitation and Nigeria's high poverty rate, exchange rate volatility, and heavy dependence on migrants' remittances, further study is needed to examine the nexus between migrants' remittances and poverty using current data. This study seeks to bridge this gap by providing updated evidence from Nigeria using a longer and more recent dataset.

METHODOLOGY**Theoretical Framework and Model Specification**

This study is anchored on the neo-Keynesian theory of poverty proposed by Keynes (1936) and later extended by economists who expanded upon his ideas. The theory states that the unequal distribution of income and weak aggregate demand among individuals and households contribute to the escalation of poverty in society. Furthermore, the uneven distribution of income creates a disparity between the rich and the poor. As a result, the flow of remittances is expected to have a greater impact on the poor than on the rich; thus, it influences poverty. Theoretically, the link between remittance, and poverty starts from a simple poverty function below. This function expresses poverty as a function of the utility achieved, income, and consumption (Deaton, 2006; Aluko, 1975).

$$POV = (U) \quad (3.1)$$

From equation (3.1) the utility function of the country consisting of the poor-income class and the rich-income class is given as:

$$U = U(C_p, C_R, L_p, L_R) = C_p, C_R - L_p, L_R \quad (3.2)$$

Equation 3.2 indicates that the utility (U) function of a country consists of a poor-income class and a rich-income class. The utility function involves the consumption of goods of the poor-income class (C_p) and the rich-income class (C_R), and subtracting the labour supply of the poor-income class (L_p) and the rich-income class (L_R), which shows the level of satisfaction or happiness in the country. For simplicity, in equation 3.2, it is assumed that the absolute values of the impact of the consumption of both classes (poor and rich) and the labour supply of both the poor and the rich on the country's utility are the same (Yoshino, et al., 2017).

Sequel to the utility function, the budget constraints for both the poor and the rich are given below:

$$PC_p = W_p L_p + \alpha(remit) \quad (3.3)$$

$$PC_R = W_R L_R + (1 - \alpha)(remit) \quad (3.4)$$

To obtain the optimal level of consumption and labour supply for each income class, this study develops the Lagrangian function below, which is defined as:

$$\Gamma = U(C_p, C_R, L_p, L_R) - \Lambda[PC_p - W_p L_p - \alpha(remit)] \quad (3.5)$$

Where equation (3.5) depicts the consumption and labour supply of the poor (P).

$$\Gamma = U(C_p, C_R, L_p, L_R) - \Lambda[PC_R - W_R L_R - (1 - \alpha)(remit)] \quad (3.6)$$

$$C_p = \frac{\alpha(remit)}{\left\{P - \frac{W_P W_R}{p}\right\}}$$

$$\text{Where; } \{P > W_{R'}\}, \{P > W_{P'}\} \rightarrow P - \frac{W_{PW_R}}{p} > 0 \quad (3.7)$$

Equation (3.16) depicts that consumption of the poor class depends on remittances scaled by the gap between the price level (P) and the poverty wage threshold (W_{pwr}). The condition $P > W_{R'}$. $P > W_{P'}$ ensures that real wages are above subsistence, so consumption is positive. This reflects Keynes's idea: the poor are highly vulnerable to price-wage gaps, and remittances act as a stabilizer. Substituting L_R from equation (3.6) into equation (3.7) results in the labour supply equation for the rich income class:

$$C_R = \frac{\alpha(\text{remit})}{\left\{P - \frac{W_{RW_P}}{p}\right\}}$$

$$\text{Where; } \{P > W_{P'}\}, \{P > W_{R'}\} \rightarrow P - \frac{W_{RW_P}}{p} > 0 \quad (3.8)$$

Equation (3.8) implies that the consumption of the richer/remittance-receiving class also depends on remittances, but benchmarked against a higher wage threshold (W_{_RW_P}). The condition $P > W_{P'}$, $P > W_{R'}$ ensures feasibility. This group has more buffer against poverty because their wage threshold is higher, but they still rely on remittances when wages lag behind prices.

Equations (3.7) and (3.8) are two versions of the same Keynesian mechanisms: Consumption is sustained by remittances when wages lag behind prices. Keynes's neo-Keynesian poverty theory explains why both groups rely on remittances: because wage rigidities and price pressures prevent the labour market from lifting the out of poverty on its own. This is expressed algebraically as:

$$POV = (HC, \text{remit}) \quad (3.9)$$

Estimation Techniques

Drawing from the theoretical framework on the influence of remittance on poverty, the model for this study is specified thus:

$$POV = (C, \text{remit})$$

$$POV_t = \beta_0 + \beta_1 RMT_t + \beta_2 INFL_t + \beta_3 EXCR_t + \beta_4 FA_t + \beta_5 EG_t + \varphi_i \quad (3.10)$$

$$\Delta POV_t = \alpha_0 + \sum_{i=1}^q \delta_{1i} \Delta POV_{t-i} + \sum_{i=0}^q \delta_{2i} \Delta RMT_{t-i} + \sum_{i=0}^q \delta_{3i} \Delta INFL_{t-i} + \sum_{i=0}^q \delta_{4i} \Delta EXCH_{t-i}$$

$$+ \sum_{i=0}^q \delta_{5i} \Delta FA_{t-i} + \sum_{i=0}^q \delta_{6i} \Delta EG_{t-i} + \vartheta_1 POV_{t-1} + \vartheta_2 RMT_{t-1} + \vartheta_3 INFL_{t-1}$$

$$+ \vartheta_4 R_EXCH_{t-1} + \vartheta_5 FA_{t-1} + \vartheta_6 EG_{t-1} + \varepsilon_t$$

Where;

POV_t = Poverty
 $INFL_t$ = Inflation
 RM_t = Migrant's remittances

$EXCR_t$ = Real exchange rate

FA_t = Foreign Aids

Source of Data and Measurement of Variables

Annual time-series data were used in the study, spanning 1991 to 2024. Poverty, the dependent variable, was proxied by the poverty incidence rate, with data sourced from various editions of the National Bureau of Statistics (NBS). Migrant remittances, the main independent variable, were measured as personal remittances (% of GDP), obtained from the World Development Indicators (WDI) database. The control variables were sourced from WDI and measured differently. For instance, the exchange rate was measured by the Real Exchange Rate, foreign aid by Net Official Development Assistance Received (Current US\$, Billion), and economic growth by GDP growth (Annual %).

RESULTS AND DISCUSSION

In the study, the ARDL techniques were adopted to analysed the model formulated to establish the impact of remittances on poverty in Nigeria from 1991 to 2024.

Descriptive Statistics

The descriptive statistics of the study variables are shown in Table 1 with an explanation contained therein.

Table 1: Descriptive Statistics

	POV	RMT	INFL	EXCR	FA	EG
Mean	57.9279	3.5471	19.0323	63.2740	3.0269	4.0159
Median	55.8000	4.1000	13.1000	57.7950	2.7150	3.9250
Maximum	80.9000	8.3000	72.8000	143.0700	6.9100	15.3300
Minimum	40.0900	0.1000	5.4000	3.1600	1.2200	-2.0400
Std. Dev.	8.5601	2.3110	15.9846	45.7920	1.2369	3.6697
Skewness	0.8067	-0.0392	2.0354	0.3913	1.5519	0.5299
Kurtosis	4.1979	1.9125	6.3180	1.8739	6.0645	4.0299
Jarque-Bera	5.7207	1.6841	39.0719	2.6640	26.9516	3.0935
Probability	0.0572	0.4308	0.0000	0.2639	0.0000	0.2129
Observations	34	34	34	34	34	34

Source: Author's Computation (2025)

As indicated in Table 1, the statistical characteristics revealed the features of the study variables, which are poverty (POV), Migrant's remittances (RMT), INFL (Inflation), Economic growth

(EG), Exchange Rate (EXCR), and Foreign Aid (FA). The poverty rate has a mean value of 57.92%, indicating a moderate average poverty rate. The Jarque-Bera test with a probability value of 0.057 suggests that the data does not deviate significantly from a normal distribution. The mean value of 3.5% represents the average remittances during the study period, reflecting what migrants earn. However, the range is considerable, spanning from a minimum of 0.1% to a maximum of 8.3%, emphasizing the wide variation in remittance amounts. The Jarque-Bera test has a probability value of 0.43, suggesting that the data may conform to a normal distribution. A high p-value (greater than 0.05) suggests that the data is likely normally distributed. Considering the mean value, the statistics demonstrated that the main variable of the study exhibits a normal distribution.

Correlation Analysis

Correlation matrix was adopted to test the multicollinearity of the study variables. Table 2 presents a brief explanation of the results.

Table 2. Correlation Matrix for migrants Remittances, and Poverty in Nigeria: 1991 -2024

Variable	RMT	INFL	R_EXCR	FA	EG
RMT	1.0000				
INFL	-0.4114	1.0000			
EXCR	0.6319	-0.2932	1.0000		
FA	-0.1199	0.1453	-0.0362	1.0000	
EG	0.1562	-0.4067	-0.0941	0.1081	1.0000

Source: Author's Computation (2025)

As indicated in Table 2, the findings revealed that there is no evidence of multicollinearity among the independent variables, as the correlation values among the independent variables are less than 0.8 (Kim, 2019). Therefore, there is no indication of multicollinearity among the independent variables in the estimated models, with the highest coefficient being 0.6318. By implication, the study variables have a distinct effect on poverty.

Table 3. Variance Inflation Factors

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	33.0659	16.4739	NA
RMT	0.7419	6.5673	1.9162
INFL	0.0121	3.6817	1.4962
EXCR	0.0018	5.4880	1.8496
FA	1.4562	7.7246	1.0772
EG	0.2105	3.0627	1.3710

Source: Author's Computation (2025)

Using the centered VIFs for the assessment of the variables' level of multicollinearity in Table 3, the values ranged from 1.0772 to 1.9162, which are less than 10 (VIFs < 10). Thereby, it can be

suggested that all the independent variables are free from multicollinearity. That is, no evidence of multicollinearity among all the independent variables.

Unit Root Test

Table 5: Augmented Dickey-Fuller (ADF) Unit Root Test

Augmented Dickey-Fuller (ADF) Unit Root Test				Phillips-Perron (PP) Unit Roots		
Variables	Model Specification	ADF @ Level	ADF @ 1 st Difference	PP @ Level	PP @ 1 st Difference	Order of Integration
POV	Constant	[2.5406] (-2.9540)	[-4.9748] * (-2.9571)	[-2.6987] (-2.9540)	[-4.9465] * (-2.9571)	I (1)
RMT	Constant, Linear Trend	[-2.5519] (-3.5529)	[-5.9420] * (-3.5578)	[-2.5846] (-3.5529)	[-9.1913] (-3.5578)	I (1)
INFL	Constant	[2.0576] (-2.9540)	[-5.4289] * (-2.9571)	[-2.3439] (-2.9540)	[-5.5273] * (-2.9571)	I (1)
EXCH	Constant	[0.7081] (-2.9540)	[-4.5315] * (-2.9571)	[0.7081] (-2.9540)	[-4.5315] * (-2.9571)	I (1)
FA	Constant	[-3.2127] * (-2.9540)	-	[-3.2127] (-2.9540)	-	I (0)
EG	Constant	[-3.0125] * (-2.9540)	-	[-2.9878] (-2.9540)	-	I (0)

Source: Author's Computation (2025)

Note: *** and ** indicate significance at the 1% and 5% levels, respectively.

Both the Augmented Dickey -Fuller (ADF) Unit root and the Phillips -Perron Unit root tests were adopted. As shown in Table 4, the ADF Unit root test revealed that POV, and RMT are stationary after the first-order difference, that is I(1) at a 5% level of significance, whereas FA and EG demonstrated stationarity at the original level, I(0). Thus, the unit root tests indicated a combination of a mixed integration, which depicts that the ARDL model is appropriate in this study. The mixture of the order of integration of the variables in the PPP unit root test affirmed that the ARDL model is appropriate in this study

Bound Test**Table 5 Bounds Test of Cointegration for Migrants Remittances and Poverty in Nigeria from 1991 -2024.**

F -Stat	4.9553			
		I(0)	I(1)	.
	10%		2.49	3.38
	5%		2.81	3.76
	2.5%		3.11	4.13
	1%		3.5	4.63

Source: Author's Computation (2025)

Table 6 presents the results of the ARDL F-bounds cointegration test conducted to examine the long-run relationship among the study variables. The F-statistic for the model is greater than the upper and lower bounds test, suggesting that there is evidence of a long-run relationship among the variables.

Table 6 ARDL Result for Migrant Remittances and Poverty in Nigeria from 1991 – 2024

Error Correction Model (Short-run Coefficients)				
Dependent Variable: Poverty				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(RMT)	0.5449	0.5347	1.0191	0.3217
D(INFL)	0.0395	0.0684	0.5782	0.5703
D(INFL(-1))	-0.2935	0.0761	-3.8585	0.0012
D(INFL(-2))	-0.2041	0.0650	-3.1406	0.0057
D(FA)	-3.8298	0.7162	-5.3472	0.0000
D(FA(-1))	-0.9512	0.5884	-1.6166	0.1233
ECT(-1)*	-0.7898	0.1089	-7.2501	0.0000
Long-run Coefficients				
RMT	-3.6515	1.0337	-3.5327	0.0024
INFL	0.2057	0.1392	1.4779	0.1567
_EXCR	0.1034	0.0446	2.3200	0.0323
FA	-2.9570	1.3755	-2.1497	0.0454
EG	0.1422	0.4228	0.3364	0.7405
C	69.4880	6.5829	10.5558	0.0000
ARDL(1, 1, 3, 0, 2, 0)				

R-squared 0.7008

Adjusted R-squared	0.6260
S.E. of regression	3.7028
Sum squared resid	329.0548
Log likelihood	-80.6018
Durbin-Watson stat	2.3243

Source: Author's Computation (2025)

Short- Run Result

In the short run, migrant remittance is positive with a value of 0.5449. Thus, a unit increase in migrant remittance increases poverty by 0.5449. This relationship is statistically insignificant at a 5% level of significance ($p > 0.05$). The result suggests that remittance inflows have not translated into immediate poverty reduction in Nigeria. Consequently, remittances might not be sufficient to generate sustainable income or productive investments capable of reducing poverty incidence in the short term. Furthermore, the result further showed that inflation (INFL) exerted a positive effect on poverty. The positive coefficient of 0.0395 suggested that a unit increase in the level of inflation is associated with a slight short-term increase in poverty. This relationship lacks statistical significance as indicated by the p-value of 0.5703 ($p > 0.05$). Furthermore, the foreign aid has a negative coefficient value of 3.8298, indicating that a unit increase in foreign aid leads to a reduction in poverty by 3.8298 with the corresponding p-value of 0.0000 ($p < 5\%$), which implies that the foreign aid has a negative and significant effect on poverty. The cointegration error correction term is negative and significant, further confirming the long-run relationship existing among the variables. The error correction term of -0.7898 showed that when there is a disruption to the system, about 79 percent of the previous equilibrium state will be recovered within a year.

The adjusted R-squared has a value of 0.6260, which indicates that 63% variation in poverty was explained by the independent variables. The remaining 37% of the variation was due to other factors not considered in the model. The finding also established that the Durbin-Watson statistics (DW) value of 2.3243 (approximately 2.0) indicated that there is no problem of autocorrelation (serial correlation) in the model.

Long-Run Result

In the long run, the negative coefficient of migrant remittances of -3.6515 suggested that a unit increase in migrant remittances is associated with a long-term unit decrease in poverty. This relationship is statistically significant ($p < 0.05$). The estimated result for inflation in the long run showed that a positive relationship exists between inflation and poverty. A positive coefficient of 0.2057 in the context of inflation and poverty suggests a slight, positive relationship, meaning a unit increase in inflation is associated with a slight increase in poverty levels over the long term. This implies that sustained high inflation can contribute to a rise in poverty rates. This relationship lacks statistical significance by the p-value of 0.1567 ($p > 0.05$).

Also, in the long run, the exchange rate with a coefficient value of 0.1034 showed a positive and significant effect on poverty ($p < 0.05$). It suggests that a unit increase in the exchange rate is

associated with a 0.1034 increase in a poverty measure. In addition, foreign aid showed a negative and significant effect on poverty, given that the coefficient is -2.9570 and the probability value of 0.0454 ($p < 0.5$). This suggests that the aid is not effectively reducing poverty and may even be contributing to it, despite its intended purpose. In addition, economic growth is positively related to poverty. The positive coefficient of 0.1422 implies that a unit increase in economic growth is associated with an insignificant long-term increase in poverty. This relationship is statistically insignificant at a 5% level of significance ($p > 0.05$).

CONCLUSION AND RECOMMENDATION

The study examined the impact of migrant remittances on poverty in Nigeria. Using time series data spanning from 1991 to 2024 and adopting the ARDL techniques, the study concludes that migrant remittances have a mixed impact on poverty in Nigeria.

In the short run, migrant remittances exert a positive and insignificant effect on poverty incidence. This suggests that poverty is not a short-run phenomenon, and the remittances received by the family are used to smooth consumption and not for productive or investment purposes that are capable of reducing poverty. In contrast, the study concludes that in the long run, migrant remittances exert a negative effect on poverty. This implies that continuously receiving remittances strengthens the household's investment capacity, which improves their standard of living and helps reduce their poverty level.

Premised on the aforementioned, the study recommends that policymakers critically assess how remittance inflows are utilised and design frameworks that channel them into productive and sustainable uses capable of delivering poverty reduction.

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