

LINKAGE BETWEEN OIL PRICE AND MIGRATION IN NIGERIA

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For more than half a century, oil has been identified to play a critical role in the economic performance of countries across the world. Although in recent times, oil intensity has decreased in many countries because of its non-renewable characteristics but changes in oil prices still generate significant impacts on economic conditions. The effect of oil price can be felt depending on whether a country is an oil exporter or oil importer as changes in oil price are homogeneous across countries. The economics of oil shows that a rise in oil prices alters the term of trade in favor of the oil exporting countries and causes harm to oil importing countries which makes the outcome to be inverse when oil prices fall. Generally, oil price changes primarily have effect on the supply side of the oil-importing countries and majorly on the demand side of oil exporting countries. More so, rising oil prices increase production costs in the production sector of the oil importing countries leading to a decline in output and productivity with increase in the price of goods and services. In Nigeria, the economy is often times subjected to this two side effect as a country which engages in both exportation and importation of crude oil from the global market.

Historical facts from the country profile shows that Nigeria was primarily an agrarian economy in which most of her revenue generation was based on agriculture with petroleum contribution to Gross Domestic product was just 0.007 percent. However, the discovery of oil at Oloibiri area of Bayelsa State in 1956 by shell B.P transformed the Nigerian economy as oil became the major source of energy and income. Since the discovery of oil, petroleum industry has played significant role towards the development of the Nigerian economy with the impact tending toward either positive or negative.

The discovery and exploration of oil in the 1970s made Nigeria the biggest producer of crude oil in West Africa and the sixth-largest supplier of oil in the world which makes oil revenue to become significant to Nigeria's emergence as a global player in world politics. The oil wealth also made Nigeria a destination for foreigners, especially expatriates who came into the country for business or professional engagements. However, the effect of diminishing oil revenue became more pronounced for Nigeria from the 1980s; this also meant diminishing national income which as a consequence, the nation's global influence also began to diminish. The result of this was a change in demography as more people began to emigrate.

Migration can be traced through archeological evidence which suggest that different human groupings had move from one place to another inhabiting new territories and interacting with people in almost all the regions for several thousand years before colonialism. In Nigeria, history of migration has been identified to be in the form of Hausa transnational links trough trans-Saharan trade route on pilgrimage to Mecca, the trans-Atlantic slave trade, migration during the colonial period, intra-regional migration within Africa and International migration of Nigerians across the continent of Africa to North America and Europe (Federal Republic of Nigeria, 2013). This reveals migration as a phenomenon to have been part of the Nigerian reality, varying only in trends and degrees.

A study by Egbuta Ugwumba, 2018, revealed that the quest to leave the country in search of a favourably life precede migration crisis in Nigeria and it was also triggered by the economic policies of the 1980s which makes the country not conducive to live for her citizens. Complications also arise through structural Adjustment programme which was intended to relieve the country of its debt burden development crisis but ended up increasing unemployment, poverty and corruption. The outcome of this led to young men and women leaving the country in large numbers looking for greener pastures abroad.

Majorly, international migration was the most common in Nigeria during the late colonial era and early independence period with the flows or movements been directed towards the United Kingdom (UK) and some to the United States of America (USA). During this period, records showed that the current was low and those who migrate then, did so for the purpose of further studies in which many returned to participate in the nation building process of Nigeria after their studies. Also, most of them took up positions in public service as their contribution to national development and the nation's educational system. However, in recent time, the pattern has changed as a number of economic, political and social conditions have combined to ignite the unprecedented waves of migration in Nigeria which has made many Nigerians to discard the idea of coming home and the tendency to remain abroad has been intensified. On the side of internal migration in Nigeria, this was promoted in the economy leading to enhanced rural-rural migration and rural-urban migration. This allow people to move over a relatively freer space to work as either migrant tenant farmers, as farm labour and as migrant traders. Also movement occur through labour migration as migrant labourers from different parts of the country especially from rural areas moved into regional headquarters, administrative and market centres of Lagos, Kano, Zaria, Enugu, Ibadan, Sokoto and Kaduna and many others in quest of trade and gainful employment (Country Paper: Nigeria, 2008).

With a population of more than 200 million which is 2.61% of the total world population and being Africa's most population country (Worldometers, 2019), Nigeria still continues to experience high international and internal migration due to the size of her population, her harsh economic climate, fluctuations in oil price, porous borders etc. Scarce employment opportunities, corruption and poverty are the factors that have made thousands of Nigerians to emigrate every year in search of better quality life. This also spur illegal migration to increase which is largely facilitated by forgery of passports, visas, false asylum claims, bogus marriages under false pretense, human smuggling and human trafficking and a host of other avenues. Migration in Nigeria have also resulted in Economic Dualism as the rate of internal migration is skyrocketing due to high rate of interstate migration by young able bodied men in search of better opportunities and greener pastures. This has invariably led to a great boost in the economic activities in the destination centres such as Lagos, Port-Harcourt, Edo, Calabar, Kano, Abuja etc. and retardation in the economic activities in the source centres especially the rural areas.

From theoretical perspective, according to neoclassical approach, some factors were identified as what can trigger migration decisions such as rate to pay, level and pace of economic growth, efficient use of factors of production in the national economy, trade balance, GDP per capita under the condition of open economy. Also social, institutional and behavioral factors plays important role in migration especially economic decision making process on emigration which takes into account factors such as remittances, foreign direct investment, poverty reduction etc. In Nigeria, from the theoretical approach of the rate to pay, the main causal linkage identified between oil effects on migration has been through the salaries of public employees which majorly is dependent on oil revenue. A fall (rise) in public sector salaries can spur the willingness to migrate which can affect the national economy as oil price has been identified as a source of primary shock to the household and the economy.

As part of her action plan on migration, the government of Nigeria in 2015 formally adopted a National Policy on Migration and its implementation plan having the support of International Organization on Migration (IOM) and the European Union (EU). The motive behind the policy and its implementation plan gave an appropriate legal framework basically for monitoring and regulating internal and international migration with proper collection and dissemination of migration data. Other issues addressed were diaspora mobilization, border management and decent treatment of migrants, internally displaced persons and asylum seekers. Finally the role of civil society in migration management was also considered in order to ensure a more efficient management of migration in the country. In recent time the policy has been implemented through various project activities which has made more than 7,000 stranded Nigerian migrants to return home safely from more than 20 countries across Europe, the Middle East, and North Africa and recently from South Africa. This was made possible through IOM voluntary return and reintegration support under the platform of Migration Governance and Reintegration in Nigeria, Immigration and Border Management, Migration Information and Data Analysis System (MIDAS), National Biometric Identification Card (NBIC) and Labour Migration Policy Action Plan (aimed at managing labour migration and mobilizing diaspora for national development). This was achieved by establishing three migrant resource centers in Abuja, Lagos and Benin City under the Ministry of Labour and Employment.

The National Policy on Migration action plan was also implemented through the establishment of Social Advisory Board (SAB) and Technical Working Committee on Labour Migration in 2017. Four pilot project identified were established as identified for implementation under the migration action plan. The second phase of the migrant resource center (MRC) was established in Benin City, Edo State. The IOM also continued to provide support to FMLE in the administration and Management of the National Electronic Labour Exchange (NELEX) web portal. A training programme on start and improve your business (SIYB) was organized for 60 returnees in Benin City on the 19th of December, 2017. A total of 8,803 migrants receive reception support and immediate assistance including cash grant for immediate needs, registration, profiling, and first medical assistance from April 2017 to July, 2018. More so, 4,752 migrants received reintegration counselling and were screened for vulnerabilities (vulnerable cases include unaccompanied children, victims of trafficking, persons with health related needs). Furthermore, 2,456 migrants processed general reintegration support (including trainings, referrals, medical assistance, and psycho-social support). Finally, 971 migrants received complementary reintegration assistance (including support in the set-up of individual collective or community projects).

The policy adopted above basically stems up from the political economy of Nigeria which is centralized on oil and has made Nigerian States to operate as an oil centered economy in collaboration with all other sectors as well as all levels of government depending upon the oil sector. This has made the centrality of oil to the political economy of Nigeria a point of emphasis based on the intrinsic relationship between this natural resource and the Nigerian state. Despite this, the political economy of Nigeria can be viewed via rentier political economy approach which in recent time has open up the consequences of over dependency on oil. The resultant effect showed that oil wealth did not provide the needed stimulus for growth nor triggered political stability. More so, oil revenue in recent time have impeded impetus for growth in other sectors of the economy as there exist inequality in the distribution of oil wealth in the country. (Babalola, 2019). There is therefore a clear gap between the results Nigeria's oil resources might have been expected to bring, and actuality.

In conclusion, the link between oil price and migration can be observed from a report by World Bank (2015) which revealed oil price as a major factor affecting migration and remittance

flows. This occur given fluctuations in the international crude oil price which is embedded in a study carried out by Ayoola (2013) who argued that Nigeria as a mono-product economy, remains vulnerable to the international crude oil prices. This fluctuations can occur suddenly and at any time giving the concern that lower oil prices affect emigration prospects to oil producing nations and capital abundant countries. This invariably threaten the livelihood of citizens in Nigeria as it has triggered irregular migration both out of and into the country. More so, most especially international migration have subjected Nigerians to racism, xenophobic attack, discrimination, forced labour, sex trafficking, violence etc. in most destination countries where they emigrate to.

Reference

Egbuta, Ugwumba (2018) Africa's Development Crisis and the Role of External Lending Institutions: Perspectives from Nigeria, *European Journal of Business and Management*.