

Labour Emigration and Unemployment: An Empirical Analysis

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Abstract

Labour emigration has been on the rise globally for decades. Developing countries tend to be losing skilled professionals daily, which is expected to result in a brain drain, given the poor economic performance in their countries. On a general note, it is expected that as labour emigration increases, the rate of unemployment tends to decline (*ceteris paribus*). This study, therefore, examines the effect of labour emigration on unemployment in Nigeria, using annual time series data spanning between 1980-2020. The study uses the error correction model (ECM) of the autoregressive-distributed lag (ARDL) estimation technique to examine the short-run and the long-run relationship between labour emigration and unemployment with evidence from Nigeria. The regression results show that there is no significant long run relationship between labour emigration and unemployment in Nigeria. However, in the short run, labour emigration has a high tendency in reducing unemployment, but it is not statistically significant at the 10% level of significance. Based on these findings, we recommend a system that can manage the economic resources of the country to cater for the increasing unemployment growth rate. We also recommend migration policies that favour both the sending country and the host country.

Keywords: Labour Emigration, Unemployment, ECM, ARDL