Urban-Rural Pattern of Remittances and Effects on Food Security of Rural Households in Nigeria

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Abstract

Remittances form a large part of the income sources of households in Africa, and especially in Nigeria. Relatives from abroad and in other urban areas serve as sources of formal, and informal, regular and occasional sources of extra income for the rural households. Thus, such incomes could be a substantial part of the family decision making matrix. The study identified the pattern of remittances that come from the urban areas in terms of cash transfers, food transfers and other forms of transfers. The study examined the extent to which such remittances determine the food security status of rural households, in terms of the food poverty line and their expenditure on basic food groups. Using the Nigerian Harmonized National Living Standard Survey, (HNLSS), 2009/2010 as the data source, the study revealed that remittances flow more from the urban to the rural areas. However, with the increased urbanisation process and the line between urban and rural being blurred, the study showed that certain parts of the urban areas also receive remittances with implication for their wellbeing. The results also show that these remittances are highly correlated with dimensions of well being, such as food security. With food poverty line of N44347 (≈ €217), from the data, it is seen that rural areas have more households below this line. The presence of remittances as additional income or food sources was found to raise rural households above the food poverty. The study provides policy relevance in terms of the need for development of more structured means of flow of funds from urban to rural areas, especially in the provision of infrastructures that could also aid economic development in the rural areas.

Keywords: Food security, nigeria, remittances, rural, urban

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