



# LEVERAGING DIASPORA CONTRIBUTIONS FOR ECONOMIC RESILIENCE IN NIGERIA DURING A RECESSION

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## Abstract

This study examines the pivotal role of the Nigerian diaspora in bolstering economic resilience during periods of recession, focusing on the critical issue of economic instability in Nigeria. Diaspora remittances have become a cornerstone of Nigeria's socio-economic development, providing vital support for families, small businesses, and infrastructure projects. Utilizing the RBV, the research adopts a qualitative approach, drawing insights from 10 Nigerian diaspora members residing in the United States, Canada, the United Kingdom, Germany, and France. Participants were purposively selected for their active engagement in remittances, investments, and developmental initiatives. The findings reveal three key types of contributions. Financial remittances stabilize households, fund small businesses, and drive infrastructure development. Social contributions, facilitated by robust diaspora networks, foster global partnerships, mobilize funding, and advocate for improved governance. Intellectual contributions, including knowledge transfer and skill-building, enhance capacity in critical sectors such as healthcare, education, and technology, fostering innovation and sustainable growth. Despite these significant contributions, the study identifies barriers to effective diaspora engagement. These include restrictive government policies, high transaction costs, economic instability, and a lack of trust in institutional frameworks. Participants propose actionable strategies to address these challenges, such as implementing tax incentives, reducing remittance fees, streamlining bureaucratic processes, establishing mentorship programs, and fostering stronger collaboration between diaspora groups and government entities. This study underscores the transformative potential of the Nigerian diaspora in driving economic recovery, resilience, and sustainable development. By integrating diaspora contributions into national development frameworks and addressing systemic barriers, policymakers can unlock the full potential of this critical resource. The findings provide a foundation for further research and offer practical recommendations to optimize diaspora engagement in times of economic adversity.

## Keywords

Nigerian Diaspora, Economic Resilience, Remittances, Knowledge Transfer, Policy Strategies

## Introduction/Background

Remittances from Nigerians in the diaspora have emerged as a key driver of the country's socio-economic growth and resilience, particularly during economic instability. According to Ngene et al. (2024), diaspora remittance flows have consistently surpassed both Foreign Direct Investment (FDI) and Net Official Development Assistance (ODA), establishing them as one of Nigeria's most critical sources of foreign income. These contributions are bolstered by advances in information and communication technologies and efficient money transfer platforms, which have significantly strengthened connections between migrants and their families.

In 2022, remittances from the Nigerian diaspora totaled \$25 billion, representing 6.1% of GDP and 83% of the Federal Government's budget. This amount was 11 times greater than the FDI recorded during the same year and 7.4 times higher than net official development assistance, which totaled \$3.4 billion (Ngene et al., 2024). Beyond the financial impact, migration also fosters national security, political stability, and economic growth by reducing unemployment in Nigeria (Ngene et al., 2024).

The Nigerian diaspora spans ECOWAS countries such as Ghana, Niger, and Chad, as well as regions like the United States, United Kingdom, Canada, and South Korea. Globally, Nigeria ranks among the top recipients of diaspora remittances, alongside India, China, and the Philippines. These funds are largely directed toward micro-level investments, such as small business startups, education, healthcare, and social contributions, underscoring their transformative potential for poverty reduction and economic recovery (Nevin & Omosomi, 2022; World Bank, 2023).

Despite their significant contributions, the broader impact of diaspora resources on national economic stability remains constrained by challenges such as high transaction costs, inadequate infrastructure, limited integration of remittances into national development plans, and bureaucratic hurdles (Owotemu et al., 2024). Recognizing these challenges, this study explores the experiences, motivations, and barriers Nigerian diaspora members face. It aims to identify strategies to maximize the economic contributions of remittances, investments, and developmental initiatives, providing actionable insights for policymakers and stakeholders to harness the full potential of diaspora resources as a critical driver of economic resilience during recessions.

## Research Problem

Nigeria's economy has experienced multiple recessions in recent years, exacerbating unemployment, poverty, and underdevelopment. While remittances and investments from the Nigerian diaspora have become a vital source of foreign exchange and economic support, the mechanisms and strategies for optimizing these contributions remain underexplored. Despite the significant role of diaspora contributions in addressing economic challenges, there is a lack of understanding regarding how diaspora members' remittances, investments, and developmental projects can be leveraged more effectively to enhance economic resilience during recessions. This gap in knowledge limits Nigeria's ability to maximize the potential of its diaspora as a critical driver of economic stability and recovery.

## Problem Statement

In recent years, Nigeria has faced multiple economic recessions that have exacerbated unemployment, poverty, and underdevelopment, leaving over 87 million Nigerians below the poverty line (World Bank, 2024). Remittances from the Nigerian diaspora, which surpassed \$25 billion in 2022 and accounted for 6.1% of the nation's GDP (Ngene et al., 2024), have become a critical source of foreign exchange and economic support. Despite contributing significantly to household incomes and local economies, diaspora remittances, investments, and developmental projects remain underutilized as national economic recovery and resilience tools.

The lack of targeted strategies to optimize these contributions limits their broader impact during economic downturns, leaving a critical gap in Nigeria's economic recovery efforts. The general problem is that Nigeria has not fully leveraged diaspora contributions to enhance its economic resilience during recessions. The specific problem is that policymakers and stakeholders lack adequate knowledge and strategies to optimize diaspora remittances, investments, and developmental projects as tools for fostering economic recovery and resilience.

## Purpose Statement

The purpose of this basic qualitative study is to explore how Nigerian diaspora members—professionals, entrepreneurs, and skilled individuals living abroad—contribute to economic resilience during periods of recession. By examining their experiences, motivations, and challenges, this study aims to uncover strategies to optimize diaspora remittances, investments, and developmental projects. The findings may provide actionable insights for policymakers and stakeholders to harness the full potential of the Nigerian diaspora, strengthen the country's economic stability, and foster recovery during recessions.

## Research Questions

### 1. *Primary Research Question:*

How can the contributions of the Nigerian diaspora be effectively leveraged to enhance economic resilience during periods of recession?

### 2. *Sub-questions:*

- a. What are the key motivations driving Nigerian diaspora members to remit funds, invest, or engage in developmental projects?
- b. How do Nigerian diaspora members perceive their role in supporting Nigeria's economic resilience during recessions?
- c. What challenges do Nigerian diaspora members encounter in contributing to Nigeria's economic development during recessions?
- d. What strategies can policymakers and stakeholders implement to optimize the contributions of the

## Nigerian diaspora for economic recovery and resilience?

## Participants

### *Population and Sample*

This basic qualitative study examines how Nigerian diaspora members contribute to economic resilience in Nigeria during recessions. The focus population includes Nigerian diaspora members, comprising professionals, entrepreneurs, and skilled individuals living abroad who actively engage in remittances, investments, or developmental projects in Nigeria. These participants were purposefully selected based on their ability to provide detailed insights into their contributions and challenges in supporting Nigeria's economy. Purposeful sampling is a qualitative research technique for selecting individuals with significant knowledge or experience of the phenomenon of interest, ensuring effective use of resources (Patton, 2002; Creswell & Plano Clark, 2011). Purposeful sampling is a standard method in qualitative research used to identify and select cases that provide rich, detailed information about the phenomenon being studied (Palinkas et al., 2015). Purposive sampling was employed to identify and select ten participants who could offer in-depth perspectives on the research problem. This sampling method aligns with the principles of basic qualitative research, emphasizing selecting individuals with relevant experience and knowledge. The sample size was determined to ensure data sufficiency and thematic saturation, whereby themes and insights are adequately represented without redundancy. Participants were required to meet the following criteria: Active involvement in remittances, investments, or developmental projects contributing to Nigeria's economy.

Residence outside Nigeria for at least three years. Research on diaspora contributions often requires a minimum residence duration to ensure participants have a meaningful experience with both host and origin countries, as long-term migrants are key drivers of economic development (Dabla-Norris et al., 2021). Willingness to engage in a 60-minute interview conducted in a distraction-free, private setting. These criteria ensured that participants possessed substantial experience and knowledge to contribute meaningful reflections while maintaining confidentiality and focus during the interviews. Justification The selection of ten participants was appropriate for the study's scope and purpose. As noted by qualitative research norms (Creswell, 2013; Merriam & Tisdell, 2016), small, purposive samples allow for a rich exploration of individual experiences and perspectives. This approach ensures the study captures diverse and detailed insights into Nigerian diaspora members' motivations, contributions, and challenges in fostering economic resilience during recessions. By selecting a targeted group of participants, the study provides a comprehensive understanding of how the diaspora supports Nigeria's economy during times of economic downturn.

### *Theoretical Framework: Resource-Based View*

Eisenhart (1991) described a theoretical framework as "a structure that guides research by relying on a formal theory...constructed by using an established, coherent explanation of certain phenomena and relationships" (p. 205). A theoretical framework comprises the chosen theory (or theories) that informs your understanding and approach to researching the topic. It also includes the key concepts and definitions derived from that theory relevant to the study (Grant & Osanloo, 2014). This study adopts the Resource-Based View (RBV) as its guiding theoretical framework to analyze how Nigerian diaspora contributions enhance economic resilience during recessions. RBV provides a strategic perspective for understanding how unique resources—financial, social, and intellectual—are mobilized and utilized to strengthen economic stability and recovery during challenging economic periods. The framework emphasizes the significance of valuable, rare, inimitable, and non-substitutable (VRIN) resources in creating sustainable competitive advantages and fostering resilience (Wernerfelt, 1984). Penrose (1959) highlighted the role of unused managerial resources as drivers of growth while recognizing that limitations in resource availability can restrict system expansion (Lockett & Thompson, 2001). By applying RBV, this study examines how Nigerian diaspora resources are strategic assets to bolster economic recovery and long-term stability during economic downturns.

The contributions of the Nigerian diaspora are categorized into three key resource areas: financial, social, and intellectual resources (Nnabuihe et al., 2024). Each category plays a critical role in enhancing economic resilience:

### *Financial Resources*

Diaspora remittances serve as critical financial capital, supporting households, small businesses, and infrastructure development. During economic recessions, remittances act as economic lifelines, providing immediate relief to struggling families and stimulating local economies (Idehen & Akhator, 2021; Ojapinwa, 2022). Beyond addressing short-term challenges, remittances contribute to long-term investments that foster economic growth and resilience.

### *Social Resources*

Diaspora networks facilitate partnerships, funding opportunities, and knowledge sharing. Meyer and Wattiaux

(2006) argue that diaspora knowledge networks enable "brain gain" by transforming the loss of human resources into accessible global assets. These networks create collaborative platforms that integrate local businesses into global markets, forge long-term economic relationships, and establish pathways for sustainable development. Social resources thus play a key role in driving economic adaptation and stability during downturns.

### ***Intellectual Resources***

The skills, expertise, and innovative ideas shared by diaspora professionals and entrepreneurs contribute significantly to capacity building, knowledge transfer, and innovation. These intellectual resources strengthen local industries, foster entrepreneurship, and enhance economic adaptation (Pandey et al., 2022). By promoting technical expertise and entrepreneurial activities, intellectual resources lay the foundation for long-term economic growth and resilience.

### ***Alignment of RBV with the Study Objectives***

The theoretical framework serves as the foundation on which all knowledge for a research study is built metaphorically and literally (Grant & Osanloo, 2014). It provides the structure and support for the study's rationale, problem statement, purpose, significance, and research questions. Acting as a grounding base or anchor, the theoretical framework connects the literature review and, most importantly, guides the methods and analysis. For this study, the RBV framework aligns closely with the study's objectives by providing a structured approach to analyze how diaspora contributions strengthen Nigeria's economic resilience. This alignment can be demonstrated across four key areas:

#### **Strategic Focus**

The RBV highlights the importance of identifying, mobilizing, and optimizing resources to create competitive advantages. This aligns directly with the study's objective of exploring how diaspora remittances, networks, and expertise address systemic economic challenges in Nigeria, including unemployment, poverty, and infrastructure deficits.

#### **Adaptation to Economic Challenges**

RBV emphasizes the role of unique resources in enabling systems to adapt and recover from disruptions. This study examines diaspora contributions as resilience-building tools that enable Nigeria to withstand and respond to economic downturns. Mobilizing financial, social, and intellectual resources is critical to achieving economic stability during challenging periods.

#### **Framework for Policy and Practice**

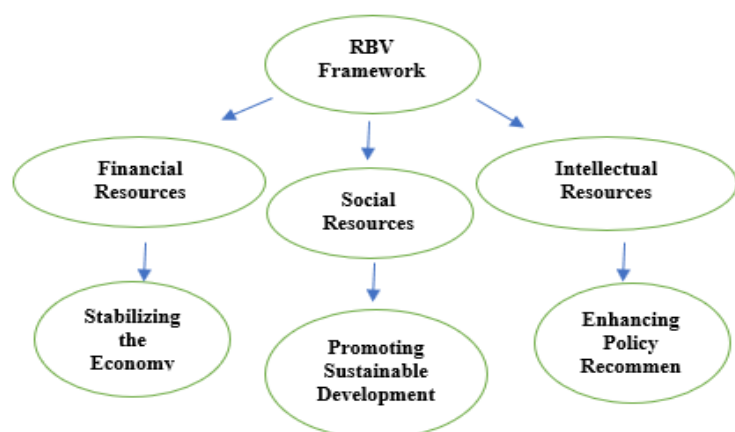
RBV provides a structured approach for identifying actionable strategies for resource deployment. This supports the study's aim of offering policymakers and stakeholders practical insights into effectively attracting, managing, and optimizing diaspora contributions. These insights help drive economic recovery, foster collaboration, and create an enabling environment for sustainable growth.

#### **Relevance to Economic Recovery**

By framing diaspora contributions as VRIN resources, RBV allows a systematic analysis of their role in fostering economic resilience. The theory provides a clear lens for understanding how remittances, social networks, and knowledge transfer generate tangible, long-term outcomes, such as economic stability, job creation, and capacity building.

### ***Alignment of RBV with Study Objectives***

The schematic diagram below visually aligns the RBV with the study objectives. It illustrates how financial, social, and intellectual resources, as identified in the study, contribute to stabilizing the economy, promoting sustainable development, and enhancing policy recommendations.



**Fig.1 Schematic Diagram: Alignment of RBV with Study**

### ***Application of RBV in the Study***

According to Maxwell (2004), a theoretical framework helps researchers justify their study. Lysaght (2011) emphasized that choosing a framework reflects a researcher's beliefs about knowledge, its nature, and their role in the study. Without it, research lacks clarity and structure, much like a house without a blueprint (Grant & Osanloo, 2014). A strong theoretical framework organizes a dissertation, providing flow and cohesion across chapters. It requires aligning the problem, purpose, significance, and research questions to ensure the study is well-founded. Additionally, the framework guides the research design and data analysis, structuring the methodology and ensuring the study has a solid foundation. This study employs a basic qualitative research design to explore the lived experiences, motivations, and challenges of Nigerian diaspora members contributing to economic recovery. The RBV aligns seamlessly with this approach by offering a robust framework to categorize and analyze diaspora resources systematically:

**Financial Resources:** Examined for their role in addressing immediate economic challenges, such as poverty and household needs, while supporting long-term investments for sustainable growth.

**Social Resources:** Evaluated for their capacity to facilitate partnerships, create funding opportunities, and enable knowledge exchange, fostering collaboration and economic recovery.

**Intellectual Resources:** Analyzed for their contributions to skill development, capacity building, and innovation, strengthening economic resilience and fostering adaptability.

By systematically exploring these resource categories, RBV demonstrates how diaspora contributions can be effectively optimized to build Nigeria's economic resilience during recessions. The RBV provides a strong theoretical foundation for this study by offering a strategic framework to analyze diaspora contributions as valuable resources that enhance Nigeria's economic resilience. Financial remittances act as economic lifelines, social networks foster partnerships and knowledge sharing, and intellectual resources drive innovation and capacity building. By framing diaspora contributions as VRIN resources, the study underscores their critical role in addressing systemic challenges and fostering recovery during economic downturns. The RBV framework also highlights actionable strategies for policymakers and stakeholders to integrate diaspora resources into national development plans. This ensures that Nigeria can leverage diaspora contributions for both short-term recovery and long-term economic stability, ultimately positioning these resources as critical assets for sustainable growth and resilience.

## **Literature Review**

### ***The Culture of Migration Amongst Nigerians***

Migration has long been a deeply ingrained aspect of Nigerian society, reflecting ambitions to overcome systemic challenges and personal setbacks. The African diaspora includes individuals of sub-Saharan African origin residing outside the continent, with "Nigerians in diaspora" referring to those who have relocated or are finding a home outside Nigeria (Adeniyi, 2016). This "culture of migration" is fueled by leadership failures, economic instability, and unemployment, leading many to view migration as a means of seeking better opportunities or escaping poverty (Adeniyi, 2016; Castles & Miller, 1993). Migration serves as both a response to hardship and a pursuit of an improved economic future in more stable environments.

Migrants are broadly categorized as professionals and non-professionals. Professionals, such as medical practitioners, engineers, academics, and legal experts, often migrate legally for better career prospects, security, and economic stability. However, many initially accept lower-status roles before transitioning to positions that match their qualifications (Parnwell, 1993). Non-professionals, including university graduates, frequently encounter more significant challenges, often resorting to irregular migration methods such as overstaying visas or forging documents to secure residence (Stalker, 2001). Migrants also face discrimination, cultural disconnection, and loneliness in their host countries, exacerbated by familial expectations for remittances (Adeniyi, 2016). To meet these demands, many take on "dirty, difficult, and dangerous" jobs (Stalker, 2001).

Migration destinations reflect both economic and ethnic factors. Popular destinations include Western nations such as the United States, the United Kingdom, and Canada and non-Western countries like China, South Korea, and the UAE (Odi, 1999; Zachary, 2005). Ethnic preferences further influence these patterns; for instance, the Igbo often settle in the United States, while the Yoruba gravitate toward the United Kingdom primarily for educational pursuits (Odi, 1999; Zachary, 2005).

### ***Networks of Nigerian Migrants***

Nigerian migrants establish extensive networks in host countries, forming communities around cultural, social, economic, religious, and political affiliations. These networks serve as platforms for resilience, support, and

collaborative action. For example, hometown associations like the London-based Odoziobodo Club and religious organizations such as the Redeemed Christian Church of God (RCCG) address both community and spiritual needs (Ajibewa & Akinrinade, 2003; Van Hear et al., 2004).

Professional associations, such as the Association of Nigerian Physicians Abroad (ANPA) and the Nigerian IT Professionals in America, bridge critical gaps in healthcare and technology through collaboration, knowledge exchange, and advocacy (Parnwell, 1993; Gilroy, 1987). Virtual networks, including the Nigerian Diaspora Organisation (NIDO), connect migrants globally, providing information and resources to navigate challenges and contribute to development initiatives in Nigeria (Ajibewa & Akinrinade, 2003).

### ***Diaspora Contributions and Migration Trends***

Diaspora contributions have become a cornerstone of socio-economic development in Nigeria, with remittances playing a pivotal role. Diaspora remittances have surpassed Foreign Direct Investment (FDI) and Net Official Development Assistance (ODA), becoming one of the nation's primary sources of foreign exchange (Ngene et al., 2024). In 2022, Nigeria received \$25 billion in remittances, equivalent to 6.1% of its GDP and accounting for 83% of the Federal Government's budget (World Bank, 2023; Knomad, 2023). These funds demonstrate the transformative potential of diaspora contributions in stabilizing households, supporting small businesses, and driving infrastructure development.

Global migration patterns, influenced by economic and demographic factors, have resulted in significant Nigerian populations abroad, including in ECOWAS countries, South Africa, the United States, the United Kingdom, and Canada (Hatton & Williamson, 2005; Nevin & Omosomi, 2022). Between 2021 and 2023, remittance flows increased from \$25.5 billion to \$34.8 billion, emphasizing their economic importance (World Bank, 2023). These funds are primarily directed toward education, healthcare, and small businesses, enhancing socio-economic development (World Bank, 2023).

### ***Understanding Diaspora Contributions***

Diasporas act as transnational populations, contributing through remittances, investments, and knowledge transfer. For instance, the Association of Nigerian Physicians in the Americas (ANPA) provides healthcare training and resources, while virtual mentorship programs foster skills development (Olatuyi et al., 2013; Toyin-Thomas et al., 2024). Diaspora networks mobilize resources for projects such as scholarships, rural electrification, and healthcare services, addressing critical gaps in infrastructure and workforce capacity (Olatuyi et al., 2013; Okome, n.d.).

### ***Policy Tools for Diaspora Engagement***

Despite their transformative potential, diaspora contributions face barriers such as high remittance fees, corruption, and inadequate government support. To address these challenges, policy strategies like tax incentives, diaspora bonds, and improved financial platforms can enhance engagement. Models from India's diaspora bonds and Kenya's M-Pesa platform illustrate effective approaches that Nigeria can adopt (World Bank, 2022; IOM, 2005).

### ***Challenges in Mobilizing Contributions***

While the Nigerian diaspora has demonstrated its transformative potential, barriers such as policy restrictions, economic volatility, and social disconnects hinder their full engagement (Motlathledi & Nkomazana, 2018). Addressing these barriers through strategic policies, transparent governance, and targeted financial incentives is essential for maximizing their contributions. Future research should explore the role of cultural capital and innovation in fostering long-term resilience and sustainable development.

## **Results**

This section presents the findings of the study, addressing the primary research question: *How can the contributions of the Nigerian diaspora be effectively leveraged to enhance economic resilience during periods of recession?* The results are organized around the study's sub-questions and categorized into three key resource areas—financial, social, and intellectual resources—as guided by the Resource-Based View (RBV) framework. These findings are drawn from a basic qualitative design and insights provided by 10 purposively selected Nigerian diaspora participants. All participants resided outside Nigeria for at least three years and actively engaged in remittances, investments, or developmental projects contributing to Nigeria's economy.

### ***Description of Participants***

The study included 10 Nigerian diaspora members living in the United States, Canada, the United Kingdom, Germany, and France (two from each country). The participants comprised six professionals, two entrepreneurs, and two skilled individuals, with residence durations ranging between 5 and 15 years abroad. Their active contributions to remittances, investments, and developmental initiatives provided rich and diverse perspectives on the study's focus.

## Key Findings

### 1. Financial Resources

According to Owotemu et al. (2024), Diaspora remittances remain vital in driving economic growth and development in emerging nations such as Nigeria. The study findings emphasize the critical role of financial remittances in driving diaspora engagement and stabilizing Nigeria's economy during periods of recession. Participants reported sending annual remittances ranging from \$2,000 to \$5,000, which were used to support family needs, small businesses, and community infrastructure projects. These remittances were distributed across various sectors, with 40% allocated to household consumption for education, food, and healthcare. Another 35% was directed toward small and medium enterprises (SMEs) investments, fostering job creation and stimulating economic activities. The remaining 25% supported long-term development projects, including housing and infrastructure initiatives.

The impact of these remittances was particularly evident during economic downturns, as participants underscored their stabilizing role in sustaining livelihoods. One participant highlighted their reliance on these funds, stating, *"My family depends on these funds for food, school fees, and medical bills, particularly when economic inflation hits hard."* A compelling example of remittance utilization was shared by a participant (an entrepreneur) who used the funds to establish a poultry farm in one Nigerian State. This initiative helped employ 15 workers and generated a steady income stream to sustain and expand the business operations. These findings demonstrate how financial remittances serve as a lifeline for families and communities, fostering resilience and driving economic recovery during challenging times.

### 2. Social Resources

Levitt's (1998) concept of "social remittances," highlighting the transfer of skills, norms, and practices from migrants to their home communities, forms the basis for understanding diaspora entrepreneurship as a channel for economic and knowledge exchange. Diaspora networks have emerged as powerful platforms for fostering partnerships, unlocking funding opportunities, and driving collaborative initiatives that promote economic development. Participants highlighted the significance of these networks in creating avenues for collective action and facilitating knowledge exchange. For instance, a participant based in the United Kingdom shared his involvement in a diaspora-led healthcare initiative that successfully raised funds to purchase modern medical equipment for a rural hospital in Enugu State.

Another participant collaborated with international NGOs to implement a clean water project in northern Nigeria, providing safe drinking water to 3,000 residents. These examples underscore the tangible impact of diaspora networks in addressing critical local needs. Additionally, participants emphasized the advocacy role of diaspora groups in promoting better governance, economic policies, and transparency. One participant articulated the value of these efforts, stating, *"Our network connects rural communities with global organizations to fund critical projects that the government often neglects."* By leveraging global resources, these networks play a pivotal role in bridging local developmental gaps and fostering long-term growth. Through collective action and collaboration, diaspora networks significantly contribute to Nigeria's economic and social advancement.

### 3. Intellectual Resources

Diaspora entrepreneurs are key in transferring skills and knowledge, driving human capital development, and fostering innovation (Ughulu, 2024). Their technological expertise facilitates technology transfer, boosting Nigeria's capacity for innovation and development (Mohapatra, Ratha, & Silwal, 2011). This study revealed that knowledge transfer and skills development are significant contributions of the Nigerian diaspora, particularly in healthcare, education, and technology. These efforts enhance local capacity and create sustainable opportunities for growth and development. For example, an IT professional based in Canada organized virtual coding workshops for youth in Lagos, training over 50 participants. Notably, outstanding trainees from the program were connected to remote job opportunities, demonstrating the tangible impact of skill-sharing initiatives. Another participant focused on education and established mentorship programs to provide aspiring Nigerian professionals with career counseling and technical upskilling opportunities.

In the healthcare sector, a diaspora medical doctor partnered with local hospitals in Nigeria to conduct free surgical training programs for health workers. This initiative significantly improved service delivery in underserved regions and contributed to strengthening the healthcare workforce. Participants also highlighted the broader impact of intellectual contributions on fostering innovation within local communities. One participant aptly summarized this sentiment by stating, *"By transferring knowledge, we empower individuals to create innovative, sustainable solutions to local problems."* These efforts showcase the transformative potential of the diaspora in driving knowledge-based development and addressing critical local challenges.

### ***Challenges Encountered***

Participants highlighted several challenges that hinder effective diaspora engagement in Nigeria. Policy and regulatory barriers were a prominent concern, with cumbersome approval processes, high transaction fees for remittances, and a lack of government incentives discouraging investments. These obstacles create significant hurdles for diaspora members attempting to channel resources toward meaningful initiatives. Economic and structural issues also posed significant challenges. Participants pointed to poor infrastructure, an unreliable power supply, and fluctuating exchange rates as key deterrents to long-term financial commitments. These systemic issues increase costs and risks, making investments less attractive to diaspora members. Additionally, social and cultural barriers emerged as a critical concern. Distrust in government institutions, widespread corruption, and inadequate communication with local stakeholders were noted as factors limiting diaspora contributions' effectiveness. Participants emphasized that these barriers erode confidence and reduce the impact of efforts to support economic and social development in Nigeria.

### ***Strategies for Optimizing Diaspora Contributions***

Participants proposed several strategies to address the challenges hindering diaspora engagement and to maximize their contributions to Nigeria's development. First, they emphasized the need for attractive policies, such as tax incentives, diaspora bonds, and streamlined approval processes, to encourage greater investments. These measures would create a more favorable environment for diaspora members to channel their resources effectively. Improving financial channels was another critical recommendation. Participants highlighted the importance of reducing remittance fees and establishing secure, transparent platforms for diaspora investments. Such initiatives would enhance the efficiency and reliability of financial transactions, encouraging more frequent and larger contributions.

Collaboration initiatives also emerged as a key strategy. Participants advocated establishing formal mentorship programs connecting diaspora professionals with local industries. These programs would facilitate knowledge transfer, capacity building, and the development of innovative solutions tailored to Nigeria's specific needs. Lastly, enhancing government engagement was essential for rebuilding trust and fostering sustained diaspora involvement. Participants suggested implementing formal engagement mechanisms, such as diaspora commissions and annual summits, to ensure accountability and transparency in diaspora-led initiatives. These measures would strengthen the partnership between the government and diaspora communities, unlocking the full potential of their contributions to national development.

## **Summary of Results**

The findings reveal that the Nigerian diaspora plays a pivotal role in bolstering economic resilience, particularly during periods of recession. Financial resources provided by diaspora members serve as a stabilizing force, supporting households, stimulating small businesses, and funding critical community infrastructure projects. Social resources, facilitated through diaspora networks, enable global partnerships, attract funding opportunities, and drive collective advocacy for developmental goals. Additionally, intellectual resources from the diaspora contribute significantly through knowledge transfer, capacity building, and innovation. These efforts empower local industries to adapt to challenges and thrive under economic pressures. While challenges such as policy barriers, economic instability, and social disconnects persist, the contributions of the Nigerian diaspora underscore their potential as a driving force for sustainable economic recovery and resilience. By implementing targeted strategies, Nigeria can optimize diaspora engagement, address systemic challenges, and foster long-term growth and stability.

## **Conclusion**

This study highlights the transformative potential of the Nigerian diaspora in fostering economic resilience, recovery, and long-term development, particularly during periods of recession. The diaspora is a critical driver of economic stability and innovation through financial, social, and intellectual contributions. Financial remittances support household consumption, small business development, and infrastructure projects, directly addressing economic vulnerabilities. Social contributions, facilitated through diaspora networks, create avenues for global partnerships, funding opportunities, and advocacy for governance and development goals. Intellectual contributions, including knowledge transfer and skills development, strengthen local healthcare, education, and technology capacity, fostering sustainable growth.

However, the study also identifies significant challenges that hinder the full realization of diaspora potential, such as policy barriers, economic instability, and social disconnects. Addressing these barriers requires targeted strategies, including tax incentives, streamlined approval processes, reduced remittance fees, mentorship initiatives, and enhanced government-diaspora collaboration. The findings underscore the importance of strategic engagement with the diaspora to address systemic economic challenges in Nigeria. Policymakers and stakeholders must prioritize the development of policies and mechanisms that empower the diaspora to maximize their



contributions. Nigeria can leverage this vital resource to build a more resilient and inclusive economy by fostering an enabling environment for diaspora engagement, ensuring long-term national development and stability.

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