



INSECURITY AND THE NIGERIAN ECONOMY: THE WAY FORWARD

Briggs David T.

Institute of International Trade and Development, University of Port Harcourt, Nigeria

davetheobrig64@gmail.com

Abstract: The paper used the political economy method to examine the effect of insecurity on the Nigerian economy. The objectives of the study were to; examine the conceptual clarification on insecurity, forms of insecurity, incidence of insecurity, causes of insecurity, effect of insecurity on foreign trade in Nigeria and the way forward to insecurity challenges in Nigeria. This was done by with the use of elements of political analysis method in which information/ data from secondary sources were collected and analyzed in line with the subject matter. The finding showed that, insecurity affects the Nigerian economy by drying-out investments, increases unemployment and dwindles government revenue, amongst others. Despite these effects, the paper suggested amongst others that government capital expenditure on internal security should grow astronomically to match the hydra-headed problem of internal security.

Key Words: Conflict, Insecurity, Herdsmen, Peace, **Terrorism**, Unemployment

I. INTRODUCTION

For about ten years, Nigeria has continually experienced various forms and dimensions of violent insecurity across the six geo-political zones. These has posed severe threat not only to the social, political, and economic status of the country but also to her co-operate existence as a country. The security challenges in the country manifests itself in diverse ways such as Armed robbery, Kidnapping and Ritual killings, High profile murder and political assassinations, Herdsmen disturbances and clashes with farmers, Violent agitations for resource control especially in Niger Delta of Nigeria, Non-violent agitations for self-determination as observed in South-East Nigeria, Terrorist attacks epitomized by Boko Haram in North East Nigeria, Ethnic and Religious tensions, Communal and land disputes as well as Political/Post Election violence Etc.

Insecurity causes lives lost on daily basis, population depleted, businesses in comatose, investments are nose-diving, multinationals closing shops and vacating the

country, unemployment soaring and the populace in fears. Clearly, it poses a threat to governance and economic growth in troubled nations. According to Obayori, Osai, Ahmodu & Maeba (2018) insecurity have both micro and macro-economic consequences on the Nigerian economy. Such consequences include; high rate of unemployment, increase in price stability and reduction in foreign investment inflow. Similarly, Stewart (2004), opined that, the economic costs of insecurity are enormous in that, people who joined the fighting forces, who are killed or flee, can no longer work productively; schools, power stations, and roads that are destroyed reduced the productive capacity of the economy. Further, displacement of people reduces the production of exports, thereby reducing foreign exchange earnings, import potentials and consequently further constraining output, leading to a decline in employment and earnings.

The menace remains a threat to governance and economic growth in Nigeria. Government by their inaction has proved

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to be unable to solely secure its citizens. Despite government's burgeoning recurrent expenditure on internal security both at the National and State levels, individuals in their various rights, work places and houses spend heavily to provide security for their personal lives and properties. Despite these efforts, the menace keeps exacerbating. The escalation of insecurity could be as a result of government failure and the failure of the state security apparatus over time (Abioye & Alao, 2020). Thus in almost all parts of the country, there exist some levels of insecurity. There are instances of ethnic conflicts in some part of the North, kidnapping in almost all parts of the country, but prominent in South-South and West, militancy and pipeline vandalisation activities in the Niger delta, terrorism and religious extremism by Boko Haram in North East, agitations for self-determination by IPOB (Indigenous People of Biafra) and MASSOB (Movement for the Actualization of the Sovereign State of Biafra) in South East, herdsmen disturbances in the North and Central, ritual killings in the South West and East and other political and economic disturbances.

In lieu of the background above, the paper used the political economy method to examine the effect of insecurity on the Nigerian economy. The remaining parts of the paper examine; conceptual clarification forms of insecurity, incidence of insecurity, causes of insecurity, effect of insecurity on foreign trade, findings and the way forward.

II. CONCEPTUAL CLARIFICATION: INSECURITY IN PERSPECTIVE

(a) Concept of Insecurity

Insecurity is a state of being subject to danger or threat. It can also be considered as threat to the state which often account for the race for arms and nuclear weapons by state to defend its territory (Achumba & Akpor, 2013). However for the purpose of this paper, the focus is on human insecurity which has gained a center stage in the Nigerian

state over the past ten years. Thus, insecurity can also be referred to as a situation of fear or anything that causes fear, harm, or has the capacity to cause fear on humans collectively or individually and properties. This first ten years of the co-existence of Nigeria witness coup, counter coup, massacre, secession attempt, civil war, ethnic-religious and political curse.

(b) Insecurity and the Nigerian Economy

Nigeria is the second largest country in terms of area and the most populated nation in Africa with a population estimated at over 200million. Nigeria is Africa's treasure in view of her brotherly role to other African countries. Nigeria is a major contributor to regional and international organization such as African union (AU), Economic Community of West African State (ECOWAS), Organization of Petroleum Exploiting countries (OPEC), and the United Nations Organization (UN) to mention a few, Nigeria is also African voice to the UN with her recent declaration as nonpermanent member of the security council of the world body.

The study reveals that, disturbances and insecurities in its various forms affect economic growth. Thus, it has been observed that in areas were insecurity is prone in Nigeria, economic activities and variables have been lagging behind. For instance, in the North East of Nigeria where Boko Haram has held sway, the area has been deserted, businesses including informal sector have been affected, unemployment have soared, Internally displaced persons (IDPs) and camps have suddenly emerged, State internally generated revenue have plummeted etc. Again, in the Niger Delta area of Nigeria where militant's attack on oil installations and pipeline vandalisation is persistent, a number of MNCs have closed shop or relocated their offices from the area, the country has been unable to meet its oil production quota, unemployment has skyrocketed, oil exports nosedived, foreign exchange dropped and the cost



of doing business in the area have increased. So it is in other parts of the country where insecurity thrive.

In response, the federal government through its annual budgets, continue to vote huge allocation to the recurrent component of internal security, military personnel and apparatus have been asked to relocate their bases to the troubled areas to quell crises, and some States have signed into law the Anti-kidnapping Act while the National assembly passed the Anti-Terrorism Act in 2011. Despite these measures, economic indices have not improved and the level of insecurity in the country is still high. A confirmation of this is the low ranking of Nigeria in the Global Peace Index (GPI, 2012) and the current recession the country has been thrown into.

It is the position of this paper that in an atmosphere of insecurity, the economy suffers for legation. It also has negative impact on the socio-political aspect of the land; lack of self-esteem, scarcity of food, loss of life, and decline in health. The country has move from a developing nation to an under developing nation. As insecurity has led to Loss of Foreign Direct Investment (FDI), and encouraged capital flight as many foreign investors are reluctant to invest in Nigeria for fear of loss of the money to swindlers and fraudster-The 419 syndrome, vandalization and kidnapping. Many foreign investors have become discouraged from owing business while existing foreign owned businesses are relocating to their countries.

III. FORMS OF INSECURITY IN NIGERIA

From the independence ceremony in October 1960, there was a mixed feeling in the minds of the leading actors of the various regions and ethnic nationalities. In that, whereas the Northern leaders saw the independence to have come too early, the Southern leaders saw it rather to have come too late, meaning therefore that even from birth the Nigerian State was ripe for internal and intra-ethnic struggles and differences which later led to breach of security and various

forms of violence on lives and properties in the country. Thus, the first ten years of the co-existence of Nigeria witnessed coup, counter coup, massacre, secession attempt, civil war, ethno-religious and political causes. The following forms of insecurity were discussed (Nnamdi, 2004)

(a) Religious form of insecurity: Literally, culture is defined as a way of life, behavior, response, hospitality and their relationship with their environment. This ordinarily explains why religion should be part of culture but in Nigeria today, every ethnic group has been assimilated by foreign religion and culture. Elence rather than culture defining the people of Nigeria, religion has turned to define them. There is a great polarization of the country based on religious affiliations and identity overtly and covertly in all aspects of human endeavor in the country, be it political, social, religious or economic. The phrase “one Nigeria” only exists in the books. Patriotism in Nigeria is only tied to primordial relationships and religious affirmations. Religious insecurity in Nigeria is more prevalent within the North East, North West and North Central parts of the country and have claimed numerous live. Properties worth billions of naira have been wasted. The crisis has resulted to several attacks on Christians by Muslims in which over 18,000 Christians have been killed and over 30,000 persons displaced from their homes and now live in IDP (Internally Displaced Camps). Observers argue that the root cause of the religious insecurity in the aforementioned three geopolitical zones of the country is as a result of the inordinate ambition of Muslims to forcefully convert Christians in the area. Subsequently, the imposition of the sharia law which was seen by many as a continuation of the historic Jihad war, was granted resistance in various forms. Many Christians were killed in Kaduna. There was also a reprisal attack in Aba where Muslims were also killed (Akinwumi, 2004). What appears to be the biggest of all



religious motivational violence in Nigeria today is Boko Haram. The sect as it stands today is a religious/political, killer or dreadful body and churches, mosques as well as government buildings are their main targets.

(b) **Terrorism dimension of insecurity in Nigeria:** Nigeria has been ranked the 3rd terrorist most affected country in the world according to global terrorism index. Though the Nigerian Government has refused to declare Boko Haram as a terrorist group, the United States in 2013 declared Boko Haram as a terrorist group. They operate in the Northern part of the country, Chad Republic and Niger Republic. It is an Islamic religious sect turned insurgent group with the aim of wiping out anything Western in Nigeria. Boko Haram has almost halted agricultural activities which includes food production as well as Intra African Foreign Trade along the international land boundaries in the Northern part of the country. Boko Haram means “away with western education”

In September 2017, the indigenous people of Biafra were declared a militant terrorist organization by the Federal Government of Nigeria. Though Western countries such as the UK & US disagreed with such classification of IPOB as a terrorist group, the recent activities of this organization have brought to a halt in some weeks, economic activities in the South Eastern part of Nigeria. The south eastern part of Nigeria is like the trading/manufacturing hub of the country. According to the Vanguard 4th of November 2021, celebrated its front page as written by Nwafor Sunday “the indigenous people of Biafra have on Thursday 4th of November called off the one week sit at home order. This is coming two days to the Anambra state gubernatorial elections slated for 6th of November 2021.

(c) **Herdsmen farmer conflict dimension:** The activities of the Fulani Herdsmen terrorist group mainly involve disputes over land resources between mostly Muslim Fulani herders and Christian farmers across Nigeria but more

devastating in the Middle Belt (North Central) since the return of democracy in 1999. Most recently however, it has deteriorated into terror attacks on farmers by Fulani Herdsmen- the fourth most deadly terrorist group in the world by the Global Terrorism Index. In May 2018, over 400 herdsmen attacked four villages of Lamurde, Bang, Bolk, Zumoso and Gon in Numan and Lamurde local councils of Adamawa State killing 15 people, 21 people were killed by herdsmen in a village in Demsa local government area of Adamawa State. The latest of the herdsmen attack took place on the 29th of August 2021 in Jos North local government area of Plateau state and killed about 15 persons comprising of men women and young persons. Agitated by these incessant and unending killings, the indigenes of the affected area carried the corps and dumped them at the gate of the government house of Plateau State. Similarly, in Ebonyi State, in the early hours of May 30th 2021, herdsmen attacked seven farming Igbo villages and over 3,000 persons were displaced. The affected villages are, Ataloga, Odokem, Ekile, Nduabasi, Ekpufu and Obakota (Peter Okutu, vanguard.com). The Nigerian Bureau of Statistics, and both Nigerian and foreign newspapers are often unable to provide the exact number of casualties. Despite the high number of attacks, Nigerian and foreign journalists have rarely access to first hand testimonies and tend to report inaccurate figures.

IV. CAUSES OF INSECURITY

From the point of independence, till date, the country has faced quite a number of insecurity problems. The coup, and counter coup imply the dominance of the midday. The polity of the citizen by promoting the culture of violence, secondly the annulment of the June 12 presidential election in 1993 highlight the discomfort equilibrium in the body politic of the country which in turn promote ethnic-regional tension in the country.

➤ Whereas the eastern region feels "oppressed", the



west region feel "robbed" the south-south feel "cheated" and the north who are the benefit of the situation still feel "left out". The result effect of these feelings was the formation of various regional multi group across the country with the common aim to protect and defend the territory, national resources and people.

➤ Oodue people congress, (OPC) Movement for the Sovereign State of Biafra (MASSOB) Egbesu Boys of Africa (EBA) Arewa people congress (APC). This leading group is formation has since give birth to so many adhere there by the compound the issue of insecurity in the country.

➤ The manipulation of religion for selfish purpose lead to security breed in so many part of the country especially in the northern region. Imposition of the sharia law which was seen by many as a continuation of the historic Jihad war. This was granted by resistance in various forms of dimension that eventually turned violent as many Christian were killed in Kaduna. There was also a reprisal attack in Aba, where Muslims were also killed (Akinwum 2004).

➤ What appears to be the biggest of all religious motivational violence in Nigeria today is Boko haram. The sect as it stands today is a religious ethno-political, dreadful or killer body, the largest churches, government building is the overthrow of the secular government.

➤ Insecurity in Nigeria has social dimension through the inexorable linked to economic factor for example; unemployment in the country

V. SOME INSECURITY INCIDENCE IN NIGERIA BETWEEN 2015 AND 2021

According to the Global Terrorism index, these conflicts resulted in over 800 deaths by **2015**.

The year **2016** saw further incidents in Agatu, Benue and Nimbo, Enugu State. In January **2018**, about 10 persons were killed in an attack and reprisal involving herders and local farmers in Numan local council of Adamawa State. In

April **2018** Fulani gunmen allegedly killed 19 people during an attack on the church, afterwards they burnt dozens of nearby homes. In June **2018**, over 200 people were killed and 50 houses were burnt in clashes between farmers and Fulani cattle herders in Plateau State. In July **2018**, a clash erupted between the Fulani settlers and the Yandang community in Lau local government area of Taraba State. About 73 people were killed and 50 villages razed. In October **2018**, Fulani herdsman killed at least 19 people in Bassa. On December **2018**, militants believed to be Fulani herdsman attacked a village in Jena'a, killing 15 people and injuring at least 24 others, the attack occurred at a wedding ceremony.

Moreover, on 11th February **2019**, an attack on an Adara settlement named Ungwar Bardi by suspected Fulani gunmen killed 11. Reprisal attack by adara targeted settlements of the Fulani killing at least 141 people with 65 missing. The attacks took place in Kajuru LGA of Kaduna State. According to a governor the motive was to destroy specific communities. The coalition against Kajuru killings stated on 18th March **2019** that 130 people have been killed in a series of revenge attacks since the massacre announced by El-Rufai. In recent times, there has been an increase in the rate of theft, armed robbery especially in the banks, kidnapping and assassination in different parts of the country. However, the vices are not equally distributed in the country. For instance, the South East of Nigeria have the highest incidence of kidnapping, the South-South and South West States of Nigeria have the highest incidence of armed robbery and fraud. While the Northern States are characterized by bombing by the Islamic sect, Boko Haram (CLEEN, **2021**).

VI. INSECURITY AND FOREIGN TRADE IN NIGERIA

The issue of insecurity in Nigeria and its impact on foreign trade is not farfetched and glaring. In Nigeria the rising



wave of insecurity has not subsided but have assumed an unsafe facet which is threatening the communal existence of the country as one geographical entity, lives and properties as well as commercial activities or engagements has been continually threatened by the negative impact of insecurity.

Empirical speaking or for the purposes of emphasis, insecurity is the same as “an unfriendly business environment” and its toll on the country’s foreign trade is uncontroversial. In the oil and gas sector for instance, both local and international operators had come to the conclusion that Nigeria’s operating environment is the most hazardous, toxic and difficult among the oil producing countries of the world. This has led to a fall or decline in the country’s oil and gas foreign trade sector. For instance, Nigeria recorded a 10.3% decline in foreign trade in the year 2020 (National Bureau of Statistics, 2021). The report further stated that the value of total import in 2020 stood at 19.898 trillion or 17.3% higher than the 16.96trillion recorded in the previous year. Total export dropped by 36.8% from 19.19trillion in 2019 to 12.522trillion in 2020. Subsequently, within 2020 Nigerian total foreign trade also dropped by 27.6% year-on-year in the second quarter of 2020 when compared to 8.61 trillion recorded in the corresponding second quarter of 2019. Furthermore, according to the report, Nigerian total export during the quarter of 2020 nosedived by 51.7% to stand at 2.22trillion, representing a significant fall when compared to 4.59trillion recorded in the second quarter of 2019 and 4.08trillion recorded in the second quarter of 2018. In September 2020, Nigeria recorded its lowest foreign trade with the United States since 2015, slumping to 1.5trillion as at Sept. 2020 compared to 2 trillion recorded in Sept. 2019.

In the same vain, the recent outburst in a statement issued in Abuja by the Hon. Minister of Trade and Investment, Otumba Niye Adebayo that the volume of trade between

Nigeria and South Korea plunged by 74% within a two-year period. That the volume of trade between both countries dropped from \$5million in 2018 to \$1.3million in 2019. In the same vein, during his briefing on the house committee of the 8th National Assembly, the former Nigerian Minister on Agriculture Mr. Audu Ogbah openly declared that for every ten containers of goods that is imported into Nigeria leaves Nigeria with only one container filled with goods while the remaining nine leaves empty. The implication of this is that for every ten imports.

VII. THE FINDINGS

This paper studies insecurity in its generalized form, thus the, doubt and negative feelings insecurity has created in the mind of individuals and corporate bodies that are engaged in international trade is utterly, dangerously, and toxically discouraging. Insecurity is linked to mental health conditions such as narcissism, anxiety, paranoia, and addictive or dependent personalities. Insecurity can manifest as a result of lack of democracy, lack of good governance and transparency, impunity, primordial ties, injustice etc. In the Nigerian case, insecurity negatively impacts on the economy by drying out productivity both at the manufacturing and agricultural sector, increased unemployment resulting from closure of companies and dwindling government revenue among others (Ewetan, & Urhie, 2014).

Lives are lost on daily basis, population depleted, businesses in comatose, investments are nose diving, multinationals closing shops and vacating the country and the populace in fear. Clearly it poses a threat to governance and puts international trade in turbulent waters. According to Steward 2004, the economic cost of insecurity is enormous. People who join the fighting forces who are killed or flee can no longer war productively, schools, power stations, and road that are destroyed reduce the productive capacity of the economy thus the economy can



barely satisfy the domestic market and without the availability of surplus, producers cannot sell at the international market. Furthermore, the displacement of people reduces the productive capacity of the economy, viz-a-viz the production of export thereby reducing foreign earning, import potential and consequently further constraining output, leading to a decline in employment and earnings (Beland, 2005).

Meanwhile, the paper found that in the atmosphere of insecurity, the economy suffers for legation. It also has negative impact on the socio-political aspect of the land; lack of self-esteem, scarcity of food, loss of lives, and decline in health. The country has moved from a developing nation to an under developing nation. In other words, no meaningful growth or development can ever take place in a country buttered in insecurity.

Noted that Nigeria is a multi-ethnic and culturally diverse federating units, that is highly vulnerable to both domestic and external security pressures. Thus, today over 40 percentage of the citizens of the country live below the poverty line while another 25 percent are vulnerable to health challenges. Within the last two decades, Nigeria has experienced two economic recessions. The Nigerian economy was growing at a rate of about 6.3% by 2014 while her growth rate has declined to 2.2% thereafter because of the prevalence of domestic insecurity. Inflation that was in single digits in 2014 increased to about 12% in 2019. The general government fiscal deficit that was about 44% of GDP in 2019 was 1.8% in 2014. In other hand the country annual need GDP that was about 7% between 2000 and 2014 fall to 2.7% in 2015 and to 1.6% in 2016

In view, the growth rate of the Nigeria economy is on the deadline due to the persistent problems of insecurity, and economic problems which include rising inflation rate, a fall in the purchasing manager index caused by dollar scarcity which was composed by the depressed units of oil price.

VIII. CONCLUSION AND THE WAY FORWARD

Insecurity has made Nigeria a sleeping giant and has more damage to the country than anything else we can think of. We considered it as a direct or indirect root of current economic relationship of the Nigeria. Insecurity has encourage capital flight, slow down inflow of FDI, reduction in GDP growth rate, brain dawn and loss of human capital. The effects of insecurity on the Nigeria socio-political and economic growth are myriad. Insecurity pose a serious challenge to the nation as it threat to existence of Nigeria. Political and economic, social development can alone strive in an atmosphere of peace (EU, 2004). This is so because without an enabling environment for economic activities development would forever remain elusive.

After critical analysis of the various variables as to the cause and effect of insecurity on the Nigerian economy, the under listed are way forward were suggested;

- (a) Government at all levels should have zero intolerance to insecurity. Thus government must be proactive rather than been reactive to insecurity matter
- (b) Government should ensure that community/citizen participate in security matters as this will help to fish-out the hide out of the miscreant disturbing the peace of the society in the name of marginalization and otherwise.
- (c) There should be strict adherence to the rule of law as well as good, transparent and accountable governance. Also, there should be transparent intra and inter political processes
- (d) Government should provide modern and adequate security equipment for law enforcement agencies to combat crime and insecurity matters. This can be done through increase in government capital expenditure on security.
- (e) Government should provide gainful employment for the teaming youth so that they will not be idle to the point of been use as thuggery to politicians during and after election.
- (f) Government should improving the standard of living of



the people and provide access to good and quality educational facilities

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