

ADDRESSING THE IMPACT OF INSECURITY ON ECONOMIC GROWTH IN NIGERIA

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Abstract

Since the period of military government, Nigeria has been witnessing series of security challenges. However, when the country return to civilian government in 1999 the issue of insecurity became worsened. This paper examines the effect of insecurity on economic growth in Nigeria. Secondary sources were used as data for this work. The findings revealed that insecurity affects economic growth by driven away both foreign and local investors and discourage the intending ones, increases unemployment, fall in government revenue among others. The study therefore recommends that the leadership should be more sincere, effective and transparent enough while discharging their duties. In conclusion, the government should formulate appropriate policies and designed other strategies that will eliminate the problem of insecurity in Nigeria.

Keywords: Insecurity, Economic Growth, Corruption, Ethnic Crisis, Nigeria.

INTRODUCTION

The present state of insecurity in Nigeria is worrisome. With exist of the military from government, many has taught the introduction of democracy in Nigeria will provide a more and enabling environment. Unfortunately, the country has witnessed an unprecedented level of insecurity, ranging from Niger Delta militancy Boko Haram insurgents, kidnaping, suicide bombing, farmer/Fulani herdsmen clashing armed banditry, POB, land boundary crisis, the recent Yoruba nation agitators amongst others. Provision of conducive environment is the priority of any nation which serves as a bedrock of socio –economic growth (Ukpabi 1986) observed that there is hardly a country which is not passing true one security treat or another, also it is hard to find a state that can completely eradicate all treats to her security. Yet, a proper threat perception and analysis also allows a country to control her threats perfectly by provides resources to the needed area (Alabi, 1997). Views threat as “anything that can undermine the security of the nation, or anything that can constitutes danger to her survival as a corporate entity, as well as undermine the prospects of harmonious relationship of the various communities that make up the nation or the peaceful co-existence of her people”.

The economic growth and development are the main focus of government and it can only be achieved when the society is considered to be secured for lives and properties. A country with a good security will attract both local and foreign investors. Problem of insecurity is not only restricted to Nigeria; it is a global issue. Most of the

developed and developing countries faces one securities problem and another within their territory. But there is different on how the crisis is being manage in Nigeria and other countries. The security crisis in Nigeria is claiming lives and destroying infrastructural facilities which is preventing a peaceful environment for the development of further infrastructure and disturbing economic activities.

The Nigeria government has been responding to the security challenge in one way and another. Especially in the area of funding urge amount of money has always been voted for the security in the country for procurement of machineries and training of security officers, military personnel and their apparatus were relocated to the troubled prone areas, involvement of foreign agencies and local vigilante group amongst other in order to quell the problem of insecurity. Despite all the measures mention above, the Nigeria economy is not growing as a result of the increasing insecurity menace. Therefore, the paper and to study various challenges insecurity imposed of economic growth in Nigeria.

CONCEPTUAL ISSUES Insecurity

The concept of insecurity would be well captured, if one has an idea of what security is all about. According to Nwolise (2006) security is an all-encompassing condition which suggests that a territory must be secured by a network of armed forces; that the sovereignty of the state must be guaranteed by a democratic and patriotic government which in turn must be protected by the military police and the people themselves. Albert (2002) stated that security connotes the survival of the state and the protection of individuals and groups within the state, Macfaclare (1994) defines security as the protection of assets including people against damage, injury or less from internal and external causes. Still on security, scholars placed emphasis on the absence of threats to peace, stability, national cohesion political and socio-economic objection of a country (Igbuzor 2011; Oche 2001; Nwanagbo and Odigbo, 2013, Olabanji and Ese, 2014). Also, Omede (2012) view security as a dynamic codition which involves the relative ability of a state to counter threats to its core values and interests.

In contrary to this, insecurity which is the antipodal of security connotes different meaning such as; lack of protection of live and properties, danger, hazard lack of safety, uncertainly amongst other. Akpor (2013) view insecurity from two perspective, firstly, insecurity is the state of being open or subject to danger or threat of danger, where danger is the condition of being susceptible to harm or injury. Secondly, insecurity is the state of being exposed to risk or anxiety where anxiety is a vague unpleasant emotion that is experience in anticipation of some misfortune. According to (Eme and Anyadike, 2013). A person is said to be secured when is not being exposed to any form of danger or risk of physical or moral aggression, accident, theft or deterioration. Beland (2005), insecurity is “the state of fear or anxiety stemming from a concrete or alleged lack of protection. It refers to lack or inadequately freedom from danger.

ECONOMIC GROWTH

Economic growth is said to take place when people rearrange resources in such a way that are more valuable. Though some nations are economically buoyant while other are cripple. Also, some nations sustained high level of growth that make them to be known as developed nations while others are addressed as developing nation as they are stagnate. The concept of economic growth has been viewed differently by many economists based on their perspective. For instance (Osinubi, 2005) growth is view by many scholars as increase in the volume of goods and services produced by a country for a specific period of time usually one year. Schumpeter (1996) defined growth as gradual and steady increase in the rate of saving and population growth.

According to Todaro (1997), economic growth is the steady process by which the productive capacity of the economy is increased over time to bring about rising level of national income. Friedman (2008), view economic growth as “an expansion of the system in one or more dimensions without a change in its structure. Brooman (2004) define economic growth as the steady increase in the quantity and quality of goods and services the economic can produce on his own, Stanlake (1974) economic growth is defined as the increase in national output which is due to greater utilization of existing resource. Kinderberg and Jhingan (2008) stated that economic growth is measured by the amount of increase in goods and services produced in a country.

REVIEW OF RELATED LITERATURE

The United Nations Development Programme (1994), firstly view security as a safety from such chronic threats as hunger disease and repression. Secondly, the body stated that it means protection from sudden and hurtful disruptions in the pattern of daily life. Whether at home, working places or in the communities. The report identified seven elements that makes up human security: (i) economic security (ii) food security (iii) health security (iv) environmental security; (v)personal security (vi)community security and (vii) political security. UNDP submitted that anything short of this definition and element is amounts to insecurity.

Collier (2006) observed that nations that have a substantial share of their Gross Domestic Product (GDP) coming from the export of primary commodities are radically more at risk of conflict. He said that the most dangerous level of primary commodity dependence is 26% of GDP. Furthermore, the author said that conflicts and insecurity is concentrated in countries with little education, fast growing population and economic decline. Steward (2004), expressed the effect of conflict and insecurity on development for twenty-five countries. The result whose period range from 1960- 1995 found that economic growth was almost always affected, agricultural sector was seriously affected reduction in production exports were negative, rise in the imports of commodities, high concentration in the procurement of military equipment and essential commodities and so on, these has led to a shortage of foreign exchange for economic inputs, consumption per head full, government revenue as a share of GDP fall and foreign, domestic and government investment also fell. This was also expressed by Stockholm International Peace Research Institute (SIPRI) 2015 year book, were it reveals that threats to security can have socio-economic roots

including contests over national resources, spillover effects of environment degradation, economic and social inequalities, economic and political migration, natural disasters and others.

In Nigeria, Ewetan and Uche (2004) observed that insecurity hinders business activities and discourages foreign and local investors. The work of Adagbami (2013) opined that insecurity is detrimental to general well-being of the people and has led to destruction of business and properties and relocation of industries. Okereke (2012) stated that human capital investment collapsed and become a threat against the economy due to the attacks on banks, market, parks and government department in northern Nigeria leading to economic backwardness in Nigeria, causing the increase in poverty, unemployment and failure in sustainable human development that is not only prevalent in the northern part but the entire country as well as neighbouring countries like Chad, Cameroon, Niger and Benin republic. Empirically, Bello (2013) investigates the phenomenon of unemployment as a rationale for insecurity with special reference to the Nigerian experience. According to Mori (2014) unemployment caused by the movement of labour force from agriculture production to secondary production in Nigeria amongst the unskilled labour constitutes disaster to the economic development. Babatunde (2013) observed that national insecurity may mean organized crime or trade union activities of essential workers capable of destabilizing or endangering life and property.

Simbowale (2013) evaluated the macro-economic policies vis-à-vis poor economy growth in Nigeria between the period of 1960 - 2000 using secondary data. The findings amongst other reveals that growth was actually weekly pro-poor. Also, those that are far below the poverty line have not been enjoying the benefit of economic growth. The work of Adebayo (2013) who carried out research on unemployment and rate as a cause of insecurity in Nigeria from 1986 - 1996 using secondary data observed that unemployment arises whenever the supply of labour exceeds the demand for it at a preventing wage rate.

CAUSES OF INSECURITY IN NIGERIA

Ethno Religious conflicts: Suspicious and distrust among various ethnic groups and major religious in the country are the remote causes of ethno –religious conflict in Nigeria. It was defined as a situation in which the relationship between members of one ethnic or religious group and another of such group in a multi –ethnic and multi –religious society is characterized by lack of cordiality, mutual suspicious and fear, and tendency towards violent confrontation. (Achumba et al, 2013; Salau, 2010), frequent and persistent ethnic conflicts and religions clash between the two dominant religious (Islam and Christianity), present the country with a major security challenge. In all parts of Nigeria, there exist ethnic religious conflicts and these according to Ibrahim and Igbuzor (2002) have emerged as a result of new and particularistic forms of political consciousness and identify often structured around ethnic-religious identities. The claim over scarce resources power, land, chieftaincy, local government, councils, control of markets and Sharia among other trivial issues have resulted in large scale killings and violence amongst groups in Nigeria (Adegba, et al, 2012).

Unemployment/poverty: Due to the rise in the rate of unemployment and poverty in Nigeria which has as severe negative implication in the country. As a result of the high level of unemployment and poverty among Nigerians, most especially the youths, they are adversely attracted to violent crime (Adagba, et al 2012). Also, Nwagbosa (2012) argued that the failure of successive administrations in Nigeria to address challenges of poverty, unemployment and inadequate distribution of wealth among ethnic nationalities is one of the major causes of insecurity in the country. Unemployment according to Salawu (2010) could predispose one to engaging in illicit activities that would undermine security of the environment.

Weak security system: The security agencies in Nigeria has not risen up to their task compared to what has been experience in other part of the world. Factors such as lack of modern equipment poor funding, poor welfare of security personnel, inadequate training of security personnel among others has been considered as reasons behind it. (Achumba et al 2013) highlighted the major contributory factor to the level of insecurity in Nigeria which attributed to a number of factors which include inadequate funding of the police and other security agencies, lack of modern equipment both in weaponry and training, poor welfare of security personnel and inadequate personnel. In Nigeria, the number of police and other security personnel is very small to tackle insecurity challenge in the country. Despite that, a questionable number of police officers were still attached to political elite and other group in the country leading to reduction in the number of security personnel assigned to combat crime in the society. According to Olanisakin (2008), the police –population ratio in Nigeria is 1:450 which falls below the standard set by the United Nations.

Porous borders: Achumba et al (2003) stated that the porous frontiers of the country where individual movements are largely untracked have contributed to the level of insecurity in Nigeria. Due to the border porosity there is an unchecked inflow of Small Arms and Light Weapon into the country which has aided military and criminality in Nigeria (Hazen and Horner, 2007). Avoidable data show that Nigeria host over 70 percent of about 8 million illegal weapons in west Africa (Edeko, 2011) the porosity of the Nigerian borders has aided the uncontrollable influx of migrants, mainly young men from neighboring countries such as Republic of Niger, Chad and Republic of Benin responsible for some of the criminal acts (Adeola and Oluyemi, 2012).

Political based violence: The political violence in Nigeria started in the first republic. This can be traced to the political crisis of the western region and other part of the country. The January and July 1966 coup also created series of ethnic and religious division in the country. The electoral politics in Nigeria right from 1960s till date have been characterized with violent conflicts, political thuggery, assassinations and arson. Politicians in Nigeria do not accommodate dialogue, negotiation and consensus (Eme and Onyshi , 2011). Political contest are characterized by desperation and violent struggle for political power among politicians. Recurring political violence in Nigeria could be attributed to over-zealousness and desperation of political gladiators to win election

or remain in office at all cost. These misadventures have often been catastrophic leading to decimation of innocent lives, disruption of economic activities and the destruction of properties among others.

Systematic and political corruption: Corruption which is said to be a crime against the society is described by (Iyare, 2008) as a thing that hampers economic growth, disproportionality burdens the poor and undermines the effectiveness of investment and aid. Also, Iyare stated that the establishment of the two anti-graft agencies; independence corruption practices commission (ICPC) and Economic and Financial Crimes Commission (EFCC) in order to reduce and when possible, to eradicate corrupt practices in the country has not been able to achieve the aims of creating the agencies. The bodies have been accused of not been sincere in handling all the cases before them from the period when they were established till today.

EFFECT OF INSECURITY CHALLENGE ON ECONOMIC GROWTH IN NIGERIA Increasing state of insecurity in Nigeria as a result of Fulani/Herdsmen insurgency, kidnapping, Banditry, Niger Delta militant, IPOB, Yoruba nation agitation to mention but few is hindering the country to progress in term of economic growth and development. For instance, the state of insecurity in Nigeria discourage foreign direct investment (FDI) which is targeted at building new facilities or investing in actual production activities which creates jobs. Achumba and Igbomereho (2013) noted that insecurity discourages investment as it makes investment unattractive to business people. This is because it increases the cost of doing business either through direct loss of goods and properties or the cost of taking precautions against business risks and uncertainty. These costs could have a negative impact in business development and progress.

In the same direction United Nations Conference on Trade and Development (UNCTAD), stated that, the FDI flows to Nigeria is averagely 5.3 million annually from 2005 – 2007, however, their data shows that FDI to Nigeria is averaged & 3.3 million from 2015 - 2019. This is a period that has been marked by heightened and widespread insecurity in the country. It further stated that insecurity is a major factor for Nigeria's unattractiveness for inward foreign investment in the last few years amongst other factors such as policy dysfunctions, including multiple exchange rates of central Bank of Nigeria, poor transportation sector, unreliable power sector, inefficient judicial system and unreliable alternative dispute resolution mechanisms and others accounting for the decline in FDI flows into the country.

Also, insecurity led to fall in economic productivities in the country. The unrest or unconditional environment created by the act of insecurity in the society discourage both peasant and mechanized farmers from going to farm, it also discourages both local and foreign miners to move freely to their various sites in order to carry out their daily activities, it crippled transportation, communication, industry and other sectors. On monetary aspect, the fund allocating to defense and security in the country is increasing on a yearly basis. Leading to fall in the fund budgeted for other developmental sectors. The implications of these on Nigeria economy is that those affected sectors will have adverse effect on the masses.

SOLUTIONS TO INSECURITY CHALLENGE IN NIGERIA

Good Governance: Oluwarotimi (2012) stated that good government is the panacea for the insecurity challenge in Nigeria. She said that the war against insecurity would be won only by raising governance standards, which is cultivating the culture of good governance where the government is responsible and accountable to the people. She narrated further that security engagement cannot be separated from good governance. However, Oluwarotimi pointed out that good governance is a function of effective vision, transparent, trustworthy and credible political leadership whose driving force is an improvement in the collective well-being of the citizens through well-conceived, effectively, implemented economic policies and human development programme.

Provision of equipment and staff training: Intelligence and staff training. Intelligent and field training should be given to all the security against personnel. Follows by advance interrogation technique, intelligent and modern device should be adopted by the security agencies when carry out their duties. Also, the funds allocated for defense and security should be channel towards the right direction, this should be monitor from the point of released to the last destination and this should be supported by the legislature arm of government through their oversight functions.

Creation of employment opportunities: There is an adage says “idle hand(s) is/are devil’s workshop. In order to reduce the problem of insecurity in Nigeria government should create a conducive environment for job provisions for the increasing youth population in the country. To achieve this, Nigeria government should formulate and implement an economic policy that will favour both local and foreign investor to invest more in the country, provision of loans at affordable interest for small and medium business, reduction or total elimination of taxes and other tariff for infancy industry to survive.

Elimination of corruption: Corruption has been described by Anackwe, Ndubuisi – Okolo and Anigbogu (2015) as antithesis of progress and development as it creates political instability, social unrest and crime infested environment, it breeds inefficiency, incompetence, mediocrity, unethical values and other negative instincts in man such as greed, malice, envy, avarice and capacity. According to Akanbi (2012) “I know that if we don’t kill corruption, corruption will kill us if we continue the way we are going. The war against corruption has to be total. Similarly, Onimajesin (2013) stated that corruption is so entrenched and endemic in Nigeria that it has become a household issue and call elements of the economy are caught in corruption web, such that Nigeria ranked among the top ten most corrupt nations in the world. Therefore, corruption and injustice in Nigeria must be totally eliminated. Nepotism and a culture of impunity must also be eschewed from our national psyche and life.

CONCLUSION AND RECOMMENDATIONS

Security challenges are considered to constitute a threat to lives and properties in any environment, hampered business activities and discourage local and foreign investors. All of which stifle and retards development of a country. It apparent that national security is a desideration since qua non for business and economic growth and

development of any country (Oladeji and Folorunso, 2007). Therefore, government must be proactive in dealing with security issues and threats through regular training of security personnel, adopting modern methods of intelligence gathering, provisions of logistics and deploying modern device in combating security challenge. Corruption should be tackled with all level of sincerity, ensure equity and egalitarian society without discrimination of one religion or ethnic group. Governance should be handled seriously, the issue of injustices, victimization, marginalization, discrimination and others should be addressed

Lastly, provision of enabling environment for business and job creation for the teeming Nigerian youths be considered paramount by the government.

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