

BOKO HARAM TERRORISM AND ITS IMPLICATIONS ON BUSINESS IN NIGERIA

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Abstract

Terrorism has become a global and burning issue of the day. Terrorism elicits a lot of concern from troubled members of the public that are alarmed at the wanton destruction of lives and property at odd hours and in unexpected places. Bombs or explosives have been thrown by terrorists at 'soft targets' such as public places or buildings including market places, mosques and churches, and government buildings causing loss of lives. Perhaps, the most notorious case of international terrorism was the September 11, 2001 (9/11), which took place in the United States of America. That terrorist attack and many others are said to be executed or claimed by individuals or group of individuals associated with Islam. For instance, the 9/11 attack on the World Trade Centre and Pentagon was allegedly carried out by the Al-Qaeda Islamic Group led by late Osama bin Laden. In Nigeria the most recent bombings are claimed by the Boko Haram Islamic Group. Within the last few years, heightened social insecurity in Nigeria has arguably fuelled the crime rate, leaving unpalatable consequences for the nation's economy and its growth. The rates of terrorist bombings, kidnappings, armed robbery attacks on banks as well as other violent crimes in recent months, have led to a prevalent massive loss of the nation's human capital. This ugly trend poses a threat to the future of the nation's agricultural productivity and real sector levels, private sector investment volume, petroleum sector growth rate, manpower and overall economic development. In order to achieve the objective of the study, the paper generated data mainly from existing literature on terrorism and its impact on businesses. Content analysis technique was used to draw insights from the literature on areas that are considered very significant to the research. Drawing on secondary sources, this paper shows that given that the activities of Boko Haram have affected the manufacturing and tourism sectors. From billions of dollars in financial losses by manufacturers to monumental decline in Foreign Direct Investment (FDI) and job losses, the economy is left gasping for breath. The paper concludes by positing writes that unless President Muhammadu Buhari halts the sect, more manufacturers and businesses especially those in the Northeast, may quit.

Keywords: Terrorism, Boko Haram, Foreign Direct Investment, Security Challenges and Global Terrorism Index.

Introduction

The menace of Boko Haram insurgents should be treated as a global challenge with Nigeria's immediate neighbours, Chad and Cameroon, working harder to form collaborative efforts to defeat the terrorists, participants at a roundtable discussion on the Boko Haram insurgency in Nigeria has advised. The roundtable, held last week at the Institute of African Studies, Carleton University, Ottawa in Canada, was titled "Boko Haram in Nigeria - A Critical Roundtable". It was part of the Institute's Umeme African Flashpoints Series; a new public talk series aimed at providing informed insights into major challenges which confront Africans in different locations on the continent, and which demand the mobilization of a range of resources and energies on an international scale.

Three Nigerian scholars led the robust conversation on Boko Haram. The discussants included Pius Adesanmi, a Professor of English at Carleton, and winner of the inaugural Penguin Prize for African Writing, and Nduka Otono, Assistant Professor at Carleton's Institute of African Studies, award-winning writer, and Fellow of the William Joiner Centre for War and Social Consequences, University of Massachusetts, Boston, and a criminologist and Governor General of Canada Academic Gold Medalist, Temitope Oriola, from the University of Alberta, whose current research focuses on Boko Haram. The event was moderated by Blair Rutherford, Director of the Institute.

In a Communiqué released after the event, discussants also advised the three countries to rise beyond the Anglophone/Francophone political divide to achieve their aim of dealing with the terrorists. They, however, said Nigeria and Nigerians must lead by demonstrating greater commitment to degrading and crushing the insurgency. Participants said noted that Boko Haram fighters are Nigerians with families, and so community policing is vital to public safety by providing intelligence necessary for staying ahead of Boko Haram's guerilla tactics and scorched earth strategy.

They also advised that the Boko Haram tragedy should not be politicized in the light of the 2015 elections in Nigeria. The participants pointed to the neglect of such disturbing facts as the displacement of more than 2.5 million citizens, the abduction and killing thousands of citizens—most of them women and children, some of whom are being deployed as suicide bombers—as campaign issues. The scholars stated that Nigerian leaders should demonstrate visible commitment to eradicating corruption which has impeded the fight against Boko Haram.

The roundtable noted a poignant report by *The Economist* which concluded:

Only if the government tackles misrule and endemic corruption will the jihadist group be beaten. They argued that misrule and endemic corruption fuel youth unemployment in Nigeria, which has become a ticking time bomb that violent groups such as Boko Haram are exploiting. This is particularly the case in Northern Nigeria where throngs of street urchins and the poor constitute a fertile pool of disenfranchised youth that are soft, vulnerable targets of radicalization by Boko Haram Islamists (Eme, 2015).

The roundtable had earlier drawn attention to startling statistical data from the Global Terrorism Database, GTD. Nigeria's rating in the Global Terrorism Index between 2012-2015 is increasing significantly in terms of casualties, deaths, sophistication, and spread of attacks and economic costs of such attacks. For instance, in the recently released by the GTI in November 2015, reported that the total number of deaths from terrorism in 2014 stood at 32,685 or an 80% increase when compared with 18,111 recorded in 2013. Of these deaths, about 70% of them took place in Nigeria, Afghanistan, Pakistan and Syria respectively. The GTI ranked Nigeria third out of 162 countries surveyed. She was 4th in 2014. Boko Haram equally moved ahead of ISIL as the most deadly terrorist group in the world. The number killed by this group increased to 7,512 in 2015 as opposed to 6,118 and 1595 recorded in 2014 and 2013 respectively. The group also spread into Cameroun killing 530 during this epoch as opposed to none between 2009 and 2013. The group also recorded the deadliest attack when she bombed the Kano city mosque that left over 122 dead in their November 28th 2014 attack.

Majority of these attacks were on soft targets on private citizens, markets, education and religious institutions via armed assaults, firearms, bombings and knives. In terms of economic costs of terrorism, the GTI report of 2014 put it at US\$52.9 billion, compared to US\$32.9 in 2013. In Nigeria, the 2014 figure put it at US\$ 28.48. The GTI reports of 2012-2015 have added currency and impetus to the study which it seeks to fill. To achieve these objectives the first section of the paper deals with theoretical and conceptual issues. The next segment will examine the implications of insurgency on business in Nigeria. The third segment will offer recommendations and concludes the paper.

Understanding Terrorism

Terrorism has become a global and burning issue of the day. Terrorism elicits a lot of concern from troubled members of the public that are alarmed at the wanton destruction of lives and property at odd hours and in unexpected places. Bombs or explosives have been thrown by terrorists at 'soft targets' such as public places or buildings including market places, mosques and churches, and government buildings causing loss of lives. Perhaps, the most notorious case of international terrorism was the September 11, 2001 (9/11), which took place in the United States of America. That terrorist attack and many others are said to be executed or claimed by individuals or group of individuals associated with Islam. For instance, the 9/11 attack on the World Trade Centre and Pentagon was allegedly carried out by the Al-Qaeda Islamic Group led by late Osama bin Laden. In Nigeria the most recent bombings are claimed by the Boko Haram Islamic Group. In Somalia, the Al-Shabbab, is unleashing terror. In the Middle East, there is an almost daily occurrence of terrorist attacks in Islamic countries such as Pakistan, Iraq, Afghanistan and Syria. Other groups identified as terrorists include Hezbollah in Lebanon, Hamas and the Islamic Jihad Group in Palestine. Of recent, the pro-democracy crises in Egypt, Tunisia, Libya, Syria, Iraq and Yemen have given cause for concern.

Put differently, the concept of terrorism is very difficult to pin down to a specific and acceptable definition. This is as a result of the changing pattern of terrorism over time. The term terrorism, therefore, has no precise or widely accepted definition. The problem of its definition is compounded by the fact that terrorism has become a fad word used generically and often applied to a variety of acts of violence that are not strictly terrorism. Therefore, no definition of terrorism can possibly cover all the varieties of terrorism that have taken place in the past. Schmid and Jongman (2005) in their study discovered more than a hundred definitions of the term and Walter Lagner (1987), finds the question of appropriate definition so annoying that he refuses to provide one. To properly understand and situate terrorism, it must be contextualized within the purview of global and historical antecedents. Also, it must be understood that 'terrorism' has become a subjective word depending on who is using it. Although it is generally agreed that terrorism employs violence, yet its purpose or objective differs. This is because there are groups that claim to use violence for a just cause such as in liberation or anti-colonial struggle. After all, there is an aphorism which says, "one man's terrorist is another man's freedom fighter."

It is no surprising therefore that the international community has not come to terms with a definitive explanation of what terrorism is. Countries with anti-terrorism legislations such as the United Kingdom's 'Terrorist Act 2000', the United States Code, 'Title 18, Section 2331 (18 USC 2331)', Canada's 'Anti-terrorism Act (Bill C-36)', Nigeria's Anti-terrorist Act 2011 and Israel's 'Prevention of Terrorism Ordinance No. 33' among others have come up with their own definitions of terrorism in their laws. The UK legislation, for example, states that terrorism is "the use or threat of action...designed to influence the government or to intimidate the public or a section of the public...for the purpose of advancing a political, religious or ideological cause." This legal code is said to have impacted on the terrorism laws of the US, Canada and Israel. But their laws only reflect their own perceptions of terrorism. And even when the United Nations seems to mobilize support against or sanction a particular group such as Al-Qaeda in Afghanistan and Pakistan, critics see the hands of the Western powers pulling the strings. Cases in point are U.N. Security Council Resolutions 1267 (passed in 1999), 1333 (2000), and 1363 (2001) which applied sanctions on the Taliban government for accommodating Osman Bin Laden and refusing to close down Al-Qaeda training camps in Afghanistan.

The Oxford Dictionary offered different definitions of the concept and the patterns it can take. For instance, we have state sponsored terrorism, which according to Oxford English Dictionary, refers to a government by intimidation or a situation of political repression and social control or a policy intended to strike with terror those against whom it is adopted. Typical illustration of state terrorism was Nigeria under Abacha's tyrannical regime. Again, we also have domestic terrorism which denotes the activities of revolutionaries, vigilantes within a single state, for example IRA in United Kingdom. Furthermore, the third variety of terrorism is international terrorism, which refers to transnational use of terrorism for political objective.

Khan (1987), Schmid & Jongman (1988), Bruce Hoffman (1998), contributing on "Terrorism" posited that the term refers to a deliberate creation and

exploitation of fear for bringing about political change. All terrorist acts involve violence or equally important the threat of violence or equally important the threat of violence. These violent acts are committed by non-state or non-governmental groups or individuals. Terrorists mean to frighten and thereby intimidate a wider audience, such as a rival ethnic or religious group, an entire country and its political leadership, or the international community as a whole. Most scholars and analysts tend to subscribe to the opinion that terrorism is a political expression and not a criminal act. As a result they agree that terrorist groups across the world have a common adversary in the status quo, represented by the regime in power, the political system or the economic system. In their view therefore, the major objective of terrorists is to disrupt the status quo or dismantle the regime in power so as to impose their own values on the rest of the society. However, since the terrorists usually lack willing public support and face stiff suppression from the government, they always resort to indiscriminate violence on a tactical and strategic basis to spread fear and intimidation and persuade the public of the validity of their cause (Lodge, 1988:3). This perhaps explains why popular definitions of terrorism portray it as a form of political violence approximating insurrection, rebellion, anarchy or political protest or revolution. According to Lodge (1988:5) "terrorism is an illegitimate means of attempting to effect political change by the indiscriminate use of violence. Cook (1989) re echoes this view in his definition of terrorism as an attempt to achieve a political end by creating a climate of fear through use adoption any or a combination of the use of improvised explosives, Arson, suicide bombing, assassination, kidnapping and seizure of aircrafts, cars & ships, mass killing by gun fire, media propaganda & advocacy, jail break and forced enlistment & recruitment of combatants as strategies.

In the same view, Lacqueur (1997) posited that terrorism is "the sub-state application of violence or threatened violence intended to sow panic in a society to weaken or even overthrow the incumbent and to bring about political change". The use of violence to create fear, often through the targeting of third parties and with the elements of surprise and the undermining of very personal security, is a tool used by a variety of historical and contemporary actors (Large, 2005).

The above explanation by Hoffman (1998), African Union, and others is subjective not only because it deviates from the dictionary meaning cited earlier but also shields government from the possibility of committing terrorism. And when a government is labeled with terrorism, it is often subjective because left-wing governments or movements that were socialist or communist were labeled terrorists by the capitalist countries. The implication here is that there are two broad categories of terrorism that can always occur in the society. These are (1) agitational terrorism or the siege of terror, which refer to the use of terror by those who wish to disrupt the existing order and ascend to political power themselves and (2) enforcement terrorism or the regime of terror, which refers to the use of terror by those in power to suppress challengers to their authority. The major drawback of these perceptions is that they narrow terrorism to the attack by the insurgents against the incumbents or vice versa, thereby isolating the rest members of the society from the crisis. The reality however,

is that limiting our unit of analysis either to insurgent terrorism or state-sponsored terrorism is misleading because terrorism affects many nations, and classes of people and leaves no continent, no country and few communities untouched. Above all, this intellectual tendency tends to gloss over the root cause of terrorism by reducing it to a mere scramble for political power. This is in spite of the fact that from the glimpse of history the achievement of regime change in parts of the world has not resulted in the termination of terrorist menace but in the invigoration and springing up of other terrorist groups.

Terrorism is thus violence or, equally important, the threat of violence used and directed in pursuit of, or in service of, a political aim (Hoffman, 1998). As a form of unconventional warfare, terrorism is sometimes used when attempting to force socio-political change by convincing a government or population to agree to demands to avoid future harm or fear of harm, destabilization of existing government, motivating a discontented population to join a mutiny, escalating a conflict in the hope of upsetting the status quo, expressing an injustice, or drawing attention to a cause.

In terms of history, Hoffman traces the origin of the usage of the word 'terrorism' to France in the aftermath of the French Revolution (1789-1799) when some of its principal actors used the phrase, "the Regime de la Terreur" (Reign of Terror), as a new system of government to champion democracy and popular rule by eliminating the enemies of the revolution and thereby sanitizing it. However, because of the excessive use of oppression and violence to achieve its goal, the Terreur altered into a feared apparatus of the state. Thenceforth, terrorism began to have a negative undertone.

Furthermore, the late 19th century group of Russian revolutionaries used the word to describe their violent fight against the Tsarist government. That was when terrorism began to be widely associated with anti-government violent attacks. History abounds with several instances of governments and anti-government forces committing acts of terrorism. At the government level, many anti-West critics see the external aggression by especially European powers against less developed countries, under whatever guise, as an act of terrorism. For instance, the gang-up by European countries to exterminate the Native Americans otherwise known as the Red Indians and engage in the Trans-Atlantic Slave Trade by violently capturing African black people, and turning them into slaves to work the plantations in the Americas was an act of terrorism.

The bottom line of the above definitions is that terrorism is an aspect of political violence but it is an extra normal kind of political violence. This is because in a bid to immobilize the forces of the incumbent, the insurgents waste innocent lives and properties in the process. In other words, a peculiar feature of terrorism is that governments, states and their symbols including innocent people are attacked in order to undermine confidence in a state's ability to protect its citizens. Terrorism, in short, is the creation of fear in a population in order to force the existing system to respond to the terrorist's demands or objectives, which are most often political or religious.

In order to draw attention to terrorism in Nigeria, it is important to conceptualize it within an African context and will serve as our operational definition of the term. Although the AU need not maintain a list of terrorist organizations in Africa, its Convention on the Prevention and Combating Terrorism article 1 (3) defines terrorism as any act which is a violation of the criminal laws of a State Party and which may endanger the life, physical integrity or freedom of, or cause serious injury or death to any person, any number or group of persons or causes or may cause damage to public or private property, natural resources, environmental or cultural heritage and is calculated or intended to:

- i. Intimidate, put in fear, coerce or induce any government, body, institution, the general public or any segment thereof, to do or abstain from doing any act, or to adopt or abandon a particular standpoint or to act according to certain principles; or
- ii. Disrupt any public service, the delivery of any essential service to the public or to create a public emergency; or
- iii. Create general insurrection in a state.

Conceptualized in this way, the AU is clear on:

- i. Activities that qualify one group or the other as terrorist group;
- ii. Activities that qualify as terrorist activities.
- iii. ineluctably political in aims and motives
- iv. violent—or, equally important, threatens violence
- v. designed to have far-reaching psychological repercussions beyond the immediate victim or target
- vi. conducted by an organization with an identifiable chain of command or conspiratorial cell structure (whose members wear no uniform or identifying insignia) and
- vii. Perpetrated by a subnational group or non-state entity.

By distinguishing terrorists from other types of criminals and terrorism from other forms of crime, we come to appreciate that terrorism is the deliberate creation and exploitation of fear through violence or the threat of violence in the pursuit of political change. All terrorist acts involve violence or the threat of violence. Terrorism is specifically designed to have far-reaching psychological effects beyond the immediate victim(s) or object of the terrorist attack. It is meant to instill fear within, and thereby intimidate, a wider 'target audience' that might include a rival ethnic or religious group, an entire country, a national government or political party, or public opinion in general. Terrorism is designed to create power where there is none or to consolidate power where there is very little. Through the publicity generated by their violence, terrorists seek to obtain the leverage, influence and power they otherwise lack to effect political change on either a local or an international scale.

It is worthy for us to note that the economic implications of the growing wave of Boko Haram terrorism can be viewed and measured from different perspectives. The cost can be direct, indirect, short and long term. For instance, the

destruction of infrastructure and property and the loss of productivity level among workers is direct while the military expenditure by the government in fighting the group is indirect. This is because the level of security votes been expended have negative impact on the other critical sectors such as health, education and roads respectively. In an updated Nigeria Terrorism Index data that was recently updated on December of 2015 by GTI revealed that Nigeria's balance of trade moved from #1971787.70million from the previous # 1921270 million. Her export dropped from #68808480million from the previous #772218.80 million. Also Nigeria's import reduced from #586048million to #483292.30 million. Nigeria's FDI dropped from the previous #732.49million to #642.87 million. Her external debt soared from previously #9464.11 to #10316.82 million respectively. These data support the thesis that the Boko Haram activities have hampered business efforts in Nigeria

How Boko Haram is Killing Businesses in Nigeria

Nigeria has been ranked third of the 162 countries of the world that have been worst hit by terrorist attacks, according to the 2015 Global Terrorism Index. The country, Africa's largest oil producer, was ranked fourth in 2014. Going by the latest ranking, Nigeria is only better than two largely Islamic countries – Iraq and Afghanistan – that were ranked first and second respectively. Pakistan and Syria are ranked fourth and fifth to complete the top five most terrorised countries. The only African countries closer in ranking to Nigeria are Somalia and Libya which are in the eighth and ninth positions respectively. France, which recently experienced deadly terrorist attacks that killed about 160 people in Paris, is ranked 36th, same as the United States of America. Terrorist attacks are much more lethal in Nigeria than any other country, the GTI report said.

The report, released on November 16, 2015 by the Institute for Economics and Peace, said the Islamist terror group in Nigeria, Boko Haram, overtook ISIL in 2014 to become the most deadly terrorist group in the world. The Institute for Economics and Peace is an independent, non-partisan, non-profit think tank with offices in Sydney, New York and Mexico City. The 2015 GTI report said Boko Haram, in 2014, was also able to spread outside Nigeria to launch two deadly attacks in neighbouring Cameroon, killing 530 people. Cameroon, the report said, didn't record any death from terrorism between 2000 and 2013 until Boko Haram struck in 2014. Although published in November 2015, the GTI report was produced from data gathered in 2014.

In 2014, Nigeria experienced the biggest yearly deterioration in terrorism on record, the report said. The report also reported that there were 5,662 more people killed (in Nigeria) from terrorism in 2014 than in 2013, an increase of almost 300 per cent. The number of people killed in Nigeria by terrorist attack in 2014 was 6,118, compared to the 1,595 killed in 2013. According to the report, "Nigeria has moved from the country with the fifth highest levels of fatalities in 2013 to the second highest in 2014." In summary, Nigeria recorded 662 terrorist attacks in 2014, with 7,512 people killed, 2,246 injured and 1,512 properties destroyed.

But then, Boko Haram isn't the only terror group in Nigeria that kills; the Fulani militants in the northern part of Nigeria is recorded to have killed as many as 1,229 people in the country in 2014, which is an incredible leap from 63 recorded in 2013. Unlike religious fanaticism which drives Boko Haram, the Fulani militants are driven by conflict over access and control of land between the semi-nomadic Fulani herdsman and farmers in north-eastern Nigeria, the report said.

Nigeria, alongside four other countries – Iraq, Afghanistan, Pakistan and Syria – accounted for 78 per cent of lives lost globally in 2014 through terrorist attacks. Of 20 most fatal terrorist attacks in the world in 2014, nine of them took place in Nigeria. Boko Haram was responsible for eight of those nine attacks, while the Fulani militants were responsible for one which took place at Galadima where 200 people were reportedly killed. These damning reports have negative implications on businesses. Among the implication include the fall in expected revenues for the building industry. One the most affected company is Lafarge. According to its Managing Director who posited that the insurgency would probably go down as the most challenging period in it's over 51 years operation in Nigeria.

According to him, between November, last year and April, this year, a period of six months, Lafarge Africa incurred financial losses of N2.5 billion as a result of the Boko Haram insurgency in the Northeast. The company, which recently merged with Switzerland-based Holcim, to create the most advanced building materials group, incurred the heavy losses because it could not meet its sales projections due to the insecurity in the region (Eme & Okeke, 2015:17). Although normalcy has since returned to the company's operations, according to its Group Managing Director/Chief Executive Officer, Guillaume Roux, the N2.5 billion financial losses is not the company's only worry. Lafarge Africa is also worried about the threat Boko Haram poses on it's over \$100 billion business expansion drive, particularly in the northern region. Roux said:

Today we have up to 8.5 million tonnes in the country and we want to double that capacity in the next five years. We are expanding in Calabar and we want to expand in the north. So this project of \$100 billion expansion in the north is key because there's a market; it's key because there's growth and it's been an essential project for us (Eme & Okeke, 2015:9).

The Lafarge Chief Executive Officer, who spoke in Abuja shortly after a meeting with the Presidential Initiative on the Northeast (PINE) to finalise discussions on the role the cement company will play in the long term economic development of the Northeast, said supporting the security, recovery and stability of the region had become critical to the future of its over \$100 billion business expansion drive in the region. According to him, the assets and plants the company has in the north are very strong and competitive. We want to make sure the right conditions are there. Security is essential-without security obviously we cannot invest. The economic development is essential, so we need to help. He said. Roux

further stated that the company had demonstrated its commitment to business expansion in the region through the ground breaking of an expansion project that was meant to grow Ashakacem capacity from the current one million metric tonnes to four million metric tonnes. In his words:

Lafarge is a long term investor and this necessitates uninterrupted operations despite the insurgency that we have witnessed in recent times. Of course, we seen security as a key ingredient for our continued operations and this is why we are a willing ally with PINE in restoring normalcy and rebuilding the region (Eme & Okeke, 2015:9).

However, Lafarge Africa is only an addition to the long list of manufacturing firms in Nigeria desperately craving uninterrupted operations and is ready to give an arm literally for the restoration of normalcy in the devastated region. Boko Haram's insurgency is also taking a huge toll on Spectra Industries Limited, makers of Suco beverages. Its Managing Director, Mr. Duro Kuteyi, told *The Nation* that because his company's distributors are in the Northeast and North-central – the epicenter of the sect's activities, the fortunes of his company have dwindled. Kuteyi, who is also National Vice Chairman of Nigeria Association of Small Scale Industrialists (NASSI), lamented: *"Our core business is in the North, and our distributors complain of low sales as people are scared of visiting the markets or big malls; customers take their time to shop because of bomb scare"* (Eme & Okeke, 2015:10).

Customers, he said, are skeptical about the safety of doing business or even doing their personal shopping, so the situation has affected his company's profitability. "The security situation, especially the bombings and kidnappings are affecting our business. He lamented, adding that as a result, the distribution of locally manufactured goods has been hampered. Indeed, these are trying times for manufacturers. The protracted armed insurrection has ruined their businesses, and by extension, the national economy. Real sector operators especially manufacturers including members of the Organised Private Sector (OPS) are agonising over the implications of the continuous erosion of investor' confidence on the economy as a result of the sustained bombing campaigns of the militant group.

Summing up the impact of insurgency is having on the real sector, former President, Lagos Chamber of Commerce and Industry (LCCI), Alhaji Remi Bello, said at moment; it is extremely difficult to attract investors because the risk of long-term investments had become enormous. Hear him: *"The tempo of economic activities in the North has declined; access to markets by companies in the south has reduced, resulting in loss of sales; while many enterprises have relocated"* (Eme & Okeke, 2015:9). While noting that security of lives and property is crucial to investment, Bello said investment growth is imperative for job creation, poverty reduction and social stability.

Besides, persistent insecurity, he stated, impacts negatively on the economy, while declining private sector performance result in job losses, which in turn

aggravate the state of insecurity. It is easy to see why manufacturers and other business operators are screaming blue murder. While some manufacturers have closed down their operations in the Northeast, Managing Consultant, Nesbet Consulting, a Lagos-based firm of finance and management consultancy, Mr. Alaba Olusemore, adds that those who manage to operate contend with poor sales and declines in revenue.

Olusemore said most companies are finding it extremely difficult to move their goods to the affected states in the Northeast, resulting in glut of manufactured goods, particularly in the Fast Moving Consumer Goods (FMCG) segment. This is because most transport and haulage companies have either reduced their business activities and trips to the North or avoided the area completely. For real sector operators, especially manufacturers who are already bogged down by rising cost of production and lately, economic uncertainty around issues of exchange rate occasioned by the devaluation of the naira in the wake of the sharp drop in price of crude oil, this is considered overkill. Indeed, as things are, local manufacturers are gasping for breath. Many companies in the north generally and the North-East in particular have closed shops.

The manufacturing sector seems to be the hardest hit because electricity supply, telecommunication services and other amenities have been crippled in those areas. Even the requisite manpower that the industries need are re-locating outside these areas. This is so particularly since last year when declining price of oil in the international market caused serious fiscal upsets for Africa's largest economy. For instance, the World Investment Report (WIR) (2013) says FDI flows into Nigeria dropped by 21 per cent in just one year – from \$8.9 billion in 2011 to \$7 billion in 2012. This translates to loss of \$1.9 billion, a figure considered unacceptable for a country in dire need of shoring up its revenue. That is not all. Nigeria's economic growth rate is also far from inspiring because of insurgency. For instance, figures from the National Bureau of Statistics (NBS) released sometime in 2014 indicated a drop in first quarter growth to about 6.21 per cent, from 6.77 per cent obtained in the fourth quarter of 2013.

Citing the 'Global Peace Index' rankings for 2014, which rated Nigeria second most deadly country for terrorism after Iraq, experiencing 140 per cent increase in deaths to about 4,392? The Report said the consequence of this is that economic activities in those areas are being crippled daily. A UK-trained Security Analyst told *The Nation* told that from manufacturing/production to retailing, hospitality to tourism, real estate to agriculture; virtually every business activity and human endeavour is at the receiving end of this insurgency/terrorism (Nation Online).

A negative perception problem created for Nigeria by the insurgents is not only responsible for the drop in FDI and slowing growth rate, but also responsible for the dwindling fortunes of operators in the hospitality industry. Tourism, places of worship considered sacred and hospitality are in comatose in most northern states are not spared by the rampaging sect. At the moment night life has disappeared in most of the northern states, with telling effect on hotel owners/operators' profitability. *The Nation* learnt that since the insurgents started their operations, the region has

continued to witness the lowest tourists' arrival, including business visits. Also, there has not been any opening of an international branded hotel. Most amusements parks, eateries, restaurants, bars, and other public relaxation points have closed, as people heed calls by security experts and the authorities to avoid such places.

With sharp reduction in occupancy rate of hotels and recreation facilities, the implication is that states considered Boko Haram hot spots continue to lose huge revenues that would have been accruing to them as tax and other tourism-related businesses, including revenues from parks, new bars and restaurants that would have sprang up. According to recent reports from tourism experts and a report on the rate of business confidence in states across the country, the northern region has lost over N10 billion in five years due to the continued insurgency. Experts observe that within five years, the region witnessed the lowest tourists' arrival, inconclusive business visits, no opening of an international branded hotel, closure of amusements parks and bars, loss of revenue by government, and gross stifling of social life. A hospitality expert adds:

If you add the aggregate of profit hotels would have made at a much better occupancy rate within the four years, the new ones that would have opened, the revenue from the parks, new bars and restaurants that would have opened, the revenue accruing to government as tax, and other tourism-related businesses that would have been flourishing since the four years, the loss is monumental (Eme, 2014:34).

The loss of revenue over this period, according to Business Confidence Report, will continue as no northern city made it to the top 15 alternative investment destinations in 2013 and as the region continues to enjoy the lion's share of insecurity. Many branches of banks and insurance companies have closed shop, even as sales representatives of many companies have fled the affected states in the north. Tales about of how Boko Haram insurgents blow up banks with IEDs and empty their vaults to fund their operations, killing scores of innocent bank customers in the process abound. Reviewing the potential for tourism in a paper delivered late last year by the Managing Director of Insight Communications, Mr. Jimi Awosika, noted that the World Travel & Tourism Council, WTTC, estimates that 3.8 million jobs (plus 2.4 million indirect jobs) could be created by tourism industry in Sub-Saharan Africa over the next 10 years But all these may be lost if the current war against insecurity is not won decisively. Winning the war is therefore an important aspect in the reformation of the economy (Eme & Okeke, 2015:10).

But to secure Nigeria's economic future and reposition the country for the attainment of its economic goals and competition in the global market, analysts believe, all must support the current effort of President Buhari in the fight against Boko Haram, irrespective of political leaning and affiliations, stressing that Nigeria belong to all of us and it is only a free and secured nation that will grow economically. For instance, Waza National Park used to brim with tourists during

rainy season, the dry season driving elephants, giraffes, gazelles, and hyenas to the few remaining watering holes to drink water and shade themselves from the sun. Located in the Far North Region, Waza is Cameroon's largest game reserve, drawing several thousand tourists a year.

But rising insecurity from the threat of Boko Haram has caused a steady decline in visitors, most visible now during the high season. As the Islamist insurgents scale up their murderous attacks on Cameroonian territory, the Central African country has not only been counting the deaths of its citizens, but also the economic costs. The crisis has brought the once thriving economy of the Far North Region, which borders Nigeria to the west, to a halt, hampering tourism, agriculture, and trade with Nigeria. The significant shift in its local economy is also threatening the financial infrastructure of Cameroon.

Also, many company projects under construction in the North have either been abandoned or suspended. Many operators, especially Small and Medium Enterprises (SMEs) have since relocated to other states thus, putting more pressure on limited facilities in those states. The rush to escape from the northern part of the country hard hit by insurgency has seen the profitability of businesses in that region hitting an all time low due to decrease in economic activities. A report quoting an executive of the National Employers' Consultative Assembly (NECA), Mr. Timothy Olawale, said that over 70 per cent of businesses have partially closed operations in northern Nigeria as a result of the growing insurgency. Some others have relocated to neighbouring countries, including Ghana. This he said is a great disservice to the government's local and foreign direct investment drive. The ripple effect extends to loss of jobs and reduced staff morale and productivity. Why the tourism sector is hard hit is because it is difficult to convince a foreigner to make a tourist trip to Nigeria due to frequent disturbing reports in the international media (Eme & Okeke, 2015:9).

When Boko Haram first struck targets inside Cameroon two years ago, its attacks were small. Boko Haram fighters would cross from Nigeria to kidnap foreigners for ransom, raid markets, and steal food. But when the African Union decided to commit more troops to fight Boko Haram last two years, the group escalated its violence, not only in Nigeria, but also Cameroon, Chad, and Niger, which are feeling the economic fallout as well. The Diffa region of Niger, for example, has long benefited from its proximity to Nigeria. But after the border was recently closed for security reasons, traders lost their main source of income. The closure adds pressure at a time when the population has tripled in a year as refugees flee Nigeria, and the region enters a third year of drought.

The fishing industry in Lake Chad, where the borders of Nigeria, Niger, Chad, and Cameroon meet, has especially suffered, with the fish shortage being felt for hundreds of miles within each country. Boko Haram leader Abubakar Shekau warned the neighbouring countries in a video last year that joining the counterinsurgency campaign would make them targets.

Recommendations

Routing the insurgents holds the key to repositioning the Nigerian economy. To attain this requires that:

- (a) The need for continued military offensive in an effort to completely decapitate the insurgents, dismantle their networks (arms/technical supply), and go after their sponsors.
- (b) Also, while military action tackles the symptom of the disease, other actions to eliminate the causative agents, which constitute long term solutions, must also be pursued with vigour. This includes addressing unemployment, poverty and education gap challenges.
- (c) As the above are being done, there is also need for a 'battle of hearts and minds': wean or de-radicalise remorseful violent extremists of their distorted belief system and ideology.
- (d) The sponsors of the group and sources of their finances should be uncovered. This would enable the administration implement a comprehensive and coordinated response against the insurgents. A reputable strategy to fight insurgency is to deprive the insurgents of funds, because there is no dispute that illicit funds movement across borders fuels organized crimes, including terror attacks and insurgency in Nigeria.
- (e) Economic collapse of the North should be addresses via International Donor Conference as witnessed in Syria recently. Most of the industries have closed down. The economy of the North is as arid as dried weather. Most of these states depend on oil revenues to pay salaries and execute capital project. They have neglected agriculture, refuse to explore solid minerals and refuse to use their power, which is the wealth of people are needed to advance the region. The economy needs to be diversified now.

Conclusion

The damage done to Nigeria's image and her economy as a result of the lingering insecurity in the country cannot be underestimated. It is against this background that analysts believe that the current war on insurgency is desirable for the country and its sustainable development. This is because the Boko Haaram insurgency is eating deep into Nigeria's national resources. The fight against Boko Haram, with consequential negative impact on the amount of resources available to other sectors of the economy. The result is a general decline in GDP, lower expenditure on social infrastructure per capita and a growing disregard for those essential economic variables that drive growth and productivity. The traumatised cities and states of North-eastern Nigeria, where Boko Haram is strongest, cannot speak of any meaningful productivity, or of any serious economic activities, that can add to the GDP and aid national development. The farmlands are desolate, as the people have either fled to other parts of the country, or have been killed. Factories are shut down, many of them for over two years now. Most cottage industries are no more and there are no schools in session, as these, too, have also been shut down by Boko Haram.

The absence of organised services, wherein labour is recognised and treated well, is the norm. The absence of factories, farmlands and cottage industries automatically translates into lower input into overall GDP, all ensuring a precipitous decline in overall national productivity. The ultimate casualty in all of this is, of course, is national development, as no new knowledge, skills or technology can be acquired or deployed where schools are either shut down, or are not able to function because of social tension or outright insecurity. This is what Boko Haram is inflicting on some cities of North-eastern Nigeria today, leading gradually to retrogression, or knowledge retardation.

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