

## Terrorism as a Threat for Economic Development in Nigeria

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### ABSTRACT

*Islam condemn terrorism and rejects all its kinds, it legalized trade and investment as a way of earning halal. The activities of Boko Haram sect become a major challenge to the Nigerian government in recent times; it had led to loss of lives and properties in the country especially in Northern Nigeria. Some of these activities include bombings, suicide, random shooting, burning of police stations, government offices and places of worship, kidnapping of school girls and innocent people, raping, armed robbery, political crises, murder, destruction of communication facilities alongside the attacks carried out by Herdsmen on some communities in the northern part of the country. Many lives and properties have been lost and a large number of citizens rendered homeless, many women are now widows, children become orphans with no hope of the future. Government had made uptight efforts to tackle these challenges posed by terrorism in the region and put an end to it but the rate of insurgency and insecurity is still disquieting. This work is therefore investigated the challenges of terrorism as a major threat on economic development in Nigeria. The scope of this study is limited on impact of terrorism on economic development in Northern Nigeria between 2000-2017. Data used was sourced from interview with related people, newspapers and related journal articles by using historical and analytical methods, the results showed that terrorism impacts negatively on economic development in Northern Nigeria, it has made government to divert resources meant for economic development purposes to security votes, expenditure made by government on security matters had positively impacted on region's economic development. It is therefore recommended that government must be pre-emptive in dealing with security threats in view of managing security challenges. The government should accelerate the rapidity of economic growth by creating an economy with a relevant economic and physical infrastructure to support business and industrial growth, the government should remain committed and declare war on terrorism and seek assistance/advice from international communities who have in the past faced this kind of challenge and were able to tackle it, grazing grounds and ranches should be built in the region for herdsmen who rear cattle, relevant security agencies should be well train and liaised with international security experts for gaining modern tactics on fighting terrorism, religious leaders, governments, business associations and NGOs should increase their efforts on enlightenment, awareness, education and sensitization campaign on the effects of terrorism on social and economic development in the region.*

### Introduction

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The security circumstance in Northern Nigeria has been moderately steady before the year 2000. Individuals had stillness and could move openly from one part of the region to the next without harassment or attack, lives and properties of individuals were secure, no issues among various ethnic gatherings living respectively, everyone attempted to make a decent living, given the alarm of security operators like the police, the military, and diverse societal vigilante gatherings, individuals dreaded to cause issues in light of the anger of the law, the security in the nation was remarkably kept up until the early 21<sup>st</sup> century, century that witness several acts of terrorism, violence and insurgency that caused sufficient harm to the region in areas of loss of lives and properties, economic loss by diverting foreign direct investment (FDI) from target countries and regions to other non-target countries. Measurements have likewise demonstrated that in the year 2012, there is a vast decrease in peace as Nigeria dropped four spots to 146th out of 158 countries in the 2012 Worldwide Peace Positioning. Nigeria viewed as the minimum calm nation in West Africa (GPI, 2012). West Africa is among the most unsecured area on the planet, and Nigeria is the most unsecured nation in West Africa. Therefore, security is about survival and the state of human presence, any nation or region or society without security measures cannot develop economically, socially and educationally.

Terrorism has become a hydra headed monster characterized by unprecedented and unpredictable threats, both domestically and internationally and has kept governments of developed and developing countries on their toes. It has become one of the most complex and complicated phenomenon of the contemporary world (Stibli, 2010). The current wave of terrorism now poses a greater threat than ever before, it has caused sufficient harm to society in areas of loss of lives and property, economic loss by diverting foreign direct investment (FDI) from target countries to other non-target countries; crowd out government resources meant for development purposes by government channeling a large part of its revenue into security vote (Callistar, 2015).

The level of terrorism in Nigeria particularly in the northern part has become a major issue for the government. Although in recent times, what is generally recognized as terrorism in Nigeria are the activities of the Boko Haram sect whose activities have been localized in the North-Eastern region and neighboring countries, targeting innocent civilians, religious and public places, government officials and security forces, it is only one of many formal and informal groups engaged in what qualifies as terrorist activities. Since 1990 when the activities of the Niger Delta militants started until recent times when Boko Haram insurgents arose in the Northern part of the country, the region has witnessed

unprecedented security challenges that ranges from bombings, suicide attacks, kidnapping, ritual killings, religious crises, political crises, assassinations and armed robbery that led to the destruction of lives and properties, hindered business activities and education, discouraged local and foreign investors, increases government expenditure on security, all of these stifles and retards Nigeria's socio-economic development (Ewetan and Urhie, 2014).

From last few decades, many scholars have been investigated about the terrorism impact on the economy of Nigeria. Terror incidents have also impacted on the economy of Nigeria like other countries. Mostly, Northern Nigeria has been facing the problem of violence and terror incidents. The purpose of this research paper is to explore the impact of terrorism on the economy of Northern Nigeria.

### **Concept of Terrorism:**

Terrorism is seen as a dimension of insecurity. It is a premeditated use of threat or violence by sub national groups to obtain a political or self-interest objectives through intimidation of people, attacking of states, territories either by bombing, hijackings, and suicide attacks, among others. It implies a premeditated, political motivated violence perpetrated against non-combatant targets by sub national groups or secret agents (cited in Abubakar A.M. 2015).

According to Stepanova (2008), terrorism is the form of violence that most closely integrates one-sided violence against civilians with asymmetrical violent confrontation against a stronger opponent, be it a state or a group of states. Terrorism is defined by Sampson and Onuoha (2011) as the premeditated use or threat of use of violence by an individual or group to cause fear, destruction or death, especially against unarmed targets, property or infrastructure in a state, intended to compel those in authority to respond to the demands and expectations of the individual or group behind such violent acts.

According to Barga (2012, p1), terrorism is an anxiety inspiring method of repeated violent action, employed by semi clandestine individuals, groups or state actors for idiosyncratic, criminal or political reasons.

Two types of terrorism have been identified; domestic and transnational. Domestic terrorism involves the activities of terrorist in a host country, and their targets are fellow citizens, their properties and the countries institutions and policies either for political reasons or otherwise. While transnational terrorism involves more than one country. This can stem from the victims, targets, institutions and supporters, terrorist or implications (Sandler and

Ender 2008). A good example of transnational terrorism is the US attack of 9/11(Callistar, 2015).

Terrorism is not a new phenomenon in world history; it has existed in every age for several centuries. Historically, the following examples of important terrorist groups includes: Japanese Red Army, the Italian Red Brigade, the Palestinian al Fatah, Israeli Haganah, Lebanese Hezbollah, Al-Qaeda of Bin Laden, Khmer Rouge of Cambodia, the Viet Cong in Vietnam, al Shabaab in Somalian, Al-Qaeda in the Maghreb (AQIM), (Ngare, 2012).

As opined by Udama (2013), undeniably, terrorism in the world at large has risen to a sublime and the global community in a bid to stave-off this act which has constituted a threat to global peace and stability unanimously agreed to counter terrorism in all its forms and to also bring its perpetrators to justice. Terrorism is an insidious act common and conducted daily over decades and has been responsible for the physical and or structural violence experienced by countless people in Nigeria, it increase the circulation, use and transfer of sophisticated weapons and the consequences for violence, increased mass casualties and persistent violence in Nigeria, this past years have spirited scholarly efforts towards identifying the underlying causes, proffering solutions and curtailing futuristic tendencies of terrorism in Africa particularly Nigeria (Akinyetun, 2017).

Sani (cited by Okoli and Iortyer, 2014) observes: Terrorism is the aggression unjustly carried out by individuals, groups or states against human beings. It includes forms of unjustly terrifying, harming, threatening, and killing of people and banditry. It also includes any violent act or threat carried out as part of individual or collective criminal plan aimed at terrifying or harming people or endangering their lives, freedom or security.

Council on Foreign Relations (CFR) (cited by Majekodunmi, 2015) highlights four key elements of terrorism:

1. It is premeditated -planned in advance, rather than an impulsive act of rage.
2. It is political -not criminal, like the violence that groups such as the mafia use to get money, but designed to change the existing political order.
3. It is aimed at civilians - not at military targets or combat-ready troops.
4. It is carried out by sub-national groups not by the army of a country (Akinyetun, 2017).

### Position of Terrorism in Islam

The teachings of Islam prohibit terrorism and condemn unwarranted violence and bloodshed. Muslim scholars and leaders from all parts of the world in the past and present have repeatedly condemned terrorism and issued Islamic legal rulings or fatwa against terrorism and related acts. Many of these directly respond to an actual incident of terrorism in which civilians were targeted by extremists claiming to act in the name of Islam (cited in Abubakar A.M. 2018).

In March 2010, Sheikh Muhammad Tahir-ul-Qadri, a leading Pakistani cleric, published a 600-page *Fatwa on Terrorism and Suicide Bombings*, endorsed by Al-Azhar University, which prohibited killing Muslim and non-Muslim civilians and destroying property and places of worship. The fatwa also affirmed the unlawfulness of imposing Islam on others and that the only permissible way in Islam to change a government is through peaceful and legal means. On the same date, a major international conference convened in Mardin, Turkey, to revisit a well-known fatwa of Ibn Taymiyya (d. 1328) that has been used to justify terrorism. Major Muslim scholars attending included Shaykh Abdullah Bin Bayyah of King Abdul Aziz University, Saudi Arabia, and Dr Mustafa Ceric, Grand Mufti of Bosnia. The participants issued a declaration that this fatwa could not be used to justify *takfir* (accusing Muslims of being unbelievers as a pretext for attacking them), rebelling against rulers, terrorizing those who enjoy safety and security, or acting unfaithfully towards those whom Muslims live at peace with (The New Mardin Declaration - English & Arabic).

In March 2008, the rector of the Deoband madrasa in India, Maulana Marghubur Rahman, made the following statement at a major Anti-Terrorism Convention in Deoband, India, "We condemn all forms of terrorism, and terrorism is completely wrong, no matter who engages in it, and no matter what religion he follows or community he belongs to. Islam is a religion of mercy and peace." The International Islamic Fiqh Academy, a subsidiary organization of the Organization of Islamic Cooperation, issued a declaration at its meeting in June 2006 regarding the position of Islam on extremism and terrorism. It reaffirmed that all forms of terrorism are criminal acts and considered *haram* under Islamic law, whether it is directly carrying out a terrorist act or indirect support or participation for such an act, and whether the act is carried out by an individual, group or state.

In July 2005, Shaykh Abd al-Aziz Al al-Shaykh, grand mufti of Saudi Arabia, issued a statement following the London bombings in 2005: "Killing and terrorizing innocent people and the destruction of property are not condoned by Islam. Attributing all these horrific incidents to (the cause of) Islam is unjust." He added, "The unjust killing of a human being in Islam is forbidden." The Saudi Arabian

Council of Senior Scholars convened in May 2003 and issued a fatwa concerning suicide bombings and terrorism. It reiterated that those who commit these acts are contravening Islamic law, and terrorism constitutes 'corruption on the earth' and a destruction of lives, wealth and belongings that are protected by Islamic law.

In November 2004, King Abdullah of Jordan proclaimed the "Amman Message" a joint statement by 200 Islamic scholars from 50 countries, repudiating extremism, radicalism and fanaticism, recognizing a broad spectrum of Muslim practice in the face of extremist attempts to narrow it down, and delegitimizing the fatwas of extremists and terrorists. The Amman Message was subsequently endorsed by a further 300 Islamic scholars, intellectuals and government officials from around the world. The three main points which all signatories endorsed include the validity of all 8 madhabs of Sunni, Shi'i and Ibadi Islam, as well as Ash'arism, Sufism, and true Salafi thought, and the impermissibility of *takfir* (declaring another Muslim to be an apostate) against any adherent of these schools, or any Muslim who believes in God and His Messenger, the six pillars of faith, and the five pillars of Islam, and does not deny any necessarily self-evident tenet of Islam (Fatwa, rulings & authoritative statements against terrorism in Islam, Retrieved 5-1-2019).

### **Nature of Terrorism in Northern Nigeria**

In recent times, Northern Nigeria in particular and Nigeria at large has witnessed an unprecedented level of terrorism since the advent of the present democratic indulgence. The blueprint of terrorism and insecurity has been regionalized: militia groups in the south, insurgency (Boko Haram) in the north, kidnapping, political and non-political designed assassinations across the nation (Callistar, 2015).

The summary of terrorism in Northern Nigeria have become inflated as the incidents of sporadic and habitual attacks have increased especially as perpetuated by Boko Haram which has left scores of death in its wake.

As noted by Okolu and Iortyer (2014), In terms of observed incidence and prevalence, the Northern part of the country particularly North-East Geo-political zone of Nigeria has been worst hit by the Boko Haram insurgency. In States like Borno, Yobe and Kano as critical flash points, in other parts of the North-East and North central zones, the activities of the insurgents have also been marked.

Obene (2012) argues that the killing of Mr. Dele Giwa, by a "Letter Bomb" in October 1986 marked the beginning of violent killing and use of Improvised Explosive Devices (IEDs) in Nigeria. Subsequently,

the Movement for the Advancement of Democracy hijacked a Nigeria Airways aircraft in October 1993 following the annulment of Chief M.K.O. Abiola's presidential election. After this, a vicious bomb blast ripped Shed 6 of Ilorin Stadium in August 1994.

The scope of this work is on the notable acts of terrorism in Nigeria more especially the North between 2000-2017 and it can be summarized as follows; General sectarian violence in Jos (2004, 2010, 2011, 2014, 2017 and 2018), series of bombings killings and suicide attacks in Maiduguri (since 2004 to date). The 2010 New Year's Eve bombing of Mogadishu Military Cantonment Mammy Market Abuja. In September 2010, a Bauchi prison break freed more than 700 Boko Haram militants, replenishing their force. The 1st October 2010 bombing in Abuja that disorganized the marking of Nigeria's 50th Independence Anniversary. The Mammy Market bombings in Bauchi, and Zuba near Abuja in 2011, Post-April 2011 Presidential Election violence in the Northern parts of Nigeria. April 8, 2011 Suleja INEC office bombing, May 29, 2011 bombing of social drinking sports in Maiduguri and Zuba an outskirts of Abuja. A 15 June 2011 also marked the start of a Federal Government sanctioned military effort to counter the growing threat of Boko Haram's insurgency. With 21 Armoured Brigade (21 Bde) of the Nigerian Army as its nucleus, Joint Task Force Operation Restore Order (JTF ORO 1) marked the start of the Army's lengthy counter-insurgency (COIN) campaign against Boko Haram through several phases and has greatly escalated in scale, capacity, components and stakeholders (Omeni, Akali. 2017).

Others are in June 16, 2011 Nigeria Police Force Headquarters bombing in Abuja, August 26, 2011 bombing of UN House in Abuja. Nov 4, 2011 bombing of Army Task Force Operational, Police Headquarters and other government buildings in Damaturu, Yobe State and Maiduguri in Borno State, Christmas day bombing at St Theresa Catholic Church in Madalla near Abuja (25 December 2011), Mubi, Yola, Gombe and Maiduguri bombings (5-6 January 2012), Kano bombings (20 January and 1 February 2012), HQ 1 Division Nigerian Army and Kawo bridge bombings in Kaduna (7 February 2012) (Omale, 2013). By early 2012, the group was responsible for over 900 deaths. On 8 March 2012, a small Special Boat Service team and the Nigerian Army attempted to rescue two hostages, Chris McManus and Franco Lamolinara, being held in Nigeria by members of the Boko Haram terrorist organisation loyal to al-Qaeda. The two hostages were killed before or during the rescue attempt. All the hostage takers were reportedly killed (Watt & Nicholas 2012).

In May 2013, Nigerian government forces launched an offensive in Borno state of North-Eastern Nigeria in an attempt to dislodge Boko Haram fighters after a

state of emergency was called on 14 May 2013 applied to the states of Borno, Yobe, and Adamawa in north-eastern Nigeria, the offensive had initial success, but the Boko Haram rebels were able to regain their strength and launch another series of attacks as follows.

In July 2013, Boko Haram massacred 42 students in Yobe state, bringing the school year to an early end in the state. On 5 August 2013 Boko Haram launched dual attacks on Bama and Malam Fatori, leaving 35 dead. On 15 April 2014, terrorists abducted about 276 female students from a Government College in Chibok town of Borno state, the abduction of another eight girls was also reported later and it was widely attributed to Boko Haram. These kidnappings raised public protests, with some protesters holding placards bearing the Twitter tag "Bring Back Our Girls" which had caught international attention (Collins and Matt 2014). On 20 May 2014, a total of two bombs in the city of Jos, Plateau State, Nigeria, were detonated, resulting in the deaths of at least 118 people and the injury of more than 56 others. The bombs detonated 30 minutes apart, one at a local market place at approximately 3:00 pm and the second in a parking lot next to a hospital at approximately 3:30 pm, where rescuers responding to the first accident were killed, though no group or individual has claimed responsibility, the attacks have been attributed to Boko Haram (BBC 2014). Starting in late 2014, Boko Haram militants attacked several Nigerian towns in the North and captured them. This prompted the Nigerian government to launch an offensive, and with the help of Chad, Niger, and Cameroon, they have recaptured many areas that were formerly under the control of Boko Haram (BBC 2015). Between January 3 and 7, 2015, Boko Haram attacked the town of Baga and killed up to 2,000 people, perhaps the largest massacre by Boko Haram (BBC 2015). On 10 January 2015 a bomb attack took place at the Monday Market in Maiduguri, killing 19 people. The city is considered to be at the heart of the Boko Haram insurgency. In the early hours of 25 January, 2015 Boko Haram launched a major assault on the city, on 26 January, 2015 CNN reported that the attack on Maiduguri by "hundreds of gunmen" had been repelled, but the nearby town of Monguno was captured by Boko Haram. Starting in late January 2015, a coalition of military forces from Nigeria, Chad, Cameroon, and Niger began a counter-insurgency campaign against Boko Haram. On 4 February, the Chad Army killed over 200 Boko Haram militants. Soon afterwards, Boko Haram launched an attack on the Cameroonian town of Fotokol, killing 81 civilians, 13 Chadian soldiers and 6 Cameroonian soldiers, but on 17 February 2015 the Nigerian military retook Monguno in a coordinated air and ground assault (BBC 2015). On 24 March 2015, residents of Damasak, Nigeria said that Boko Haram had taken more than 400 women and children from the town

as they fled from coalition forces. On 27 March the Nigerian army captured Gwoza, which was believed to be the location of Boko Haram headquarters. On Election Day 28 March 2015, Boko Haram extremists killed 41 people, including a legislator, to discourage hundreds from voting (Michelle Faul & Haruna Umar 2015).

Others are in August 2015, it was reported that over one thousand deaths had occurred since the inauguration of the new administration. On 28 October 2015, it was announced that Nigerian troops have rescued 338 people from Boko Haram near the group's Sambisa Forest stronghold of those rescued, 192 were children and 138 were women. In December 2015, Muhammadu Buhari, the President of Nigeria, claimed that Boko Haram was "technically defeated" and it was reported that 1,000 women had been rescued from Boko Haram in January 2016 (BBC 2016). On 7 January 2017, a group of Boko Haram militants attacked a Nigerian army base in Yobe State, killing five soldiers. In response, the Nigerian Army launched retaliatory strikes and killed 15 militants. On 17 January 2017, a Nigerian Air Force jet accidentally bombed a refugee camp near the Cameroonian border in Rann, Borno State, mistaking it for a Boko Haram encampment, the airstrike left 115 people dead. On 18 March 2017, at least six people were killed and 16 wounded after four female suicide bombers blew themselves up on the outskirts of Maiduguri city (BBC, 2017). On 2 April 2017, the Nigerian military began what it said was its "final offensive" to retake Boko Haram's last strongholds. On 17 May 2017, the Nigerian Army reported that it had arrested about 126 suspected Boko Haram terrorists at the Internally Displaced Persons (IDPs) camp in Damboa, Borno State. In September 2017, Boko Haram militants kidnapped about 40 young adults, women and children and killed 18 in the town of Banki, 130 km southeast of Maiduguri, Borno State, on the border of Nigeria and Cameroon. Similarly, Boko Haram was reported to have killed 380 people between April and September 2017 in the Lake Chad area, about 57% of all schools in Borno and Yobe states were closed, 63% of business activities in North eastern Nigeria are near to collapse due to the Boko Haram insurgency and affecting the education of about 3 million children (UNICEF, 2017).

### **Causes of Terrorism in Northern Nigeria**

Bloom (2007) enumerated the following as root causes of terrorism among others:

1. Lack of rule of law.
2. Corrupt government.
3. Poverty.
4. Depression.

5. Absence of good governance and leadership.
6. Discrimination.
7. Ignorance.
8. Social injustice.

In addition to the above are ideology, underemployment, rise of indigenous neo-elites, executive lawlessness, marginalization, human rights violation, frustration, relative deprivation, oppression, illegal circulation of arms and weapons, do or die politics and government insincerity and insensitivity are among others.

### Concept of Economic Development

Economic development is the process by which a nation improves the economic, political, and social well-being of its people. The term has been used frequently by economists, politicians, and others in the 20th and 21st centuries. The concept, however, has been in existence in the West for centuries. "Modernization", "westernization", and especially "industrialization" are other terms often used while discussing economic development. Economic development has a direct relationship with the environment and environmental issues. (Retrieved from [www.concepts of economic development](http://www.concepts of economic development), 22-3-2019)

The scope of economic development includes the process and policies by which a nation improves the economic, political, and social well-being of its people (O'Sullivan, A. and Sheffrin, S. M. 2003).

The University of Iowa's Center for International Finance and Development states that:

'Economic development' is a term that economists, politicians, and others have used frequently in the 20th century. The concept, however, has been in existence in the West for centuries. Modernization, Westernisation, and especially Industrialisation are other terms people have used while discussing economic development. Economic development has a direct relationship with the environment. Although nobody is certain when the concept originated, some people agree that development is closely bound up with the evolution of capitalism and the demise of feudalism.

Mansell and Wehn (1998) also state that economic development has been understood since the World War II to involve economic growth, namely the increases in per capita income, and (if currently absent) the attainment of a standard of living equivalent to that of industrialized countries. Economic development can also be considered as a static theory that documents the state of an economy at a certain time. According

to Schumpeter and Backhaus (2003), the changes in this equilibrium state to document in economic theory can only be caused by intervening factors coming from the outside (Schumpeter. et al 2003).

In economics, the study of economic development was borne out of an extension to traditional economics that focused entirely on national product, or the aggregate output of goods and services. Economic development was concerned with the expansion of people's entitlements and their corresponding capabilities, morbidity, nourishment, literacy, education, and other socio-economic indicators (Pearson Education and Addison-Wesley 2011).

Albert O. Hirschman (1981) a major contributor to development economics, asserted that economic development grew to concentrate on the poor regions of the world, primarily in Africa, Asia and Latin America yet on the outpouring of fundamental ideas and models. It has also been argued, notably by Asian and European proponents of infrastructure-based development, that systematic, long-term government investments in transportation, housing, education, and healthcare are necessary to ensure sustainable economic growth in emerging countries.

### Economic Development Polices

In its broadest sense, policies of economic development encompass two major areas:

1. Governments undertaking to meet broad economic objectives such as price stability, high employment, and sustainable growth. Such efforts include monetary and fiscal policies, regulation of financial institutions, trade, and tax policies.
2. Programs that provide infrastructure and services such as highways, parks, affordable housing, crime prevention, and K-12 education.
3. Job creation and retention through specific efforts in business finance, marketing, neighborhood development, workforce development, small business development, business retention and expansion, technology transfer, and real estate development. This third category is a primary focus of economic development professionals (*Business Retention and Expansion International*. 2018-10-23. Retrieved 2019-01-09).

One growing understanding in economic development is the promotion of regional clusters and a thriving metropolitan economy. In

today's global landscape, location is vitally important and becomes a key in competitive advantage.

International trade and exchange rates are a key issue in economic development. Currencies are often either under-valued or over-valued, resulting in trade surpluses or deficits. Furthermore, the growth of globalization has linked economic development with trends on international trade and participation in global value chains (GVCs) and international financial markets. The last financial crisis had a huge effect on economies in developing countries. Economist Jayati Ghosh states that it is necessary to make financial markets in developing countries more resilient by providing a variety of financial institutions. This could also add to financial security for small-scale producers (Jayati Gosh, 2013).

### Factors of Economic Development

Every country has a set of characteristics, such as natural resources and skilled manpower, that can influence their ability to build their economy. These are known as the economic factors, or the conditions of the economic environment within a country, which are a country's current economic condition and available economic resources that influence their capacity to further develop their economy. In other words, economic development, or the process that increases a country's average standard of living by further enhancing the economy, can be affected by the current and available economic conditions.

While economic factors are not the only thing influencing economic development, they are important for understanding the capacity, or the ability of the economy to develop on their own. Important economic factors include:

- Natural resources
- Power and energy resources
- Capital accumulation
- Technological resources
- Available labor force
- Transportation and communications
- Education and training

Each of these factors influences the available economic resources and growth opportunities within a country (Economic Factors Impacting Economic Development, retrieved from study.com on 22-3-2019).

Economic growth and development determine social progress that is the progressive evolution of the society, which involves an improvement of the human condition, a step higher on the scale of the

human being's standard, based on economic progress (Ignat I, et al 1998).

A country is able to develop fast when:

1. Industries and people have the possibility to plan their activity on the long run, which requires political, legislative and monetary stability;
2. The results of economic activity depend on free initiative, on the efficient utilization of resources, on efficient labour, etc.
3. Investments are not sacrificed in favour of immediate consumption. When most of the current incomes are reinvested, the productive capital increases and, consequently, the real incomes too;
4. The decisions regarding investments and production are correct, and the wealth accumulated in time is adequately used to achieve assets as efficient as possible from an economic standpoint;
5. The degree of education and civilization rises and records a leap forward at the level of consciousness;
6. Any decision takes into consideration the protection and conservation of eco-system (durable development); economic, social, spiritual values are respected.

Leszek Balcerowicz (2001) states that the economic development has four dimensions:

1. The initial level of development (reflected for instance by the income per capita) or the level existing when the rhythm of development starts being determined;
2. The human capital or the people's level of education and professional training;
3. The internal economic condition or the economy's structures;
4. The external economic circumstances.

### Why Businesses are the Terrorists Target

Businesses are used as targets by terrorists for many different reasons:

1. Some firms are highly visible targets; an attack on them is certain to attract the attention of the media, wide sections of the population, and, of course, the government thus supplies terrorists with the publicity they seek.

2. Many firms are soft targets in the sense that it is impossible to prevent potential terrorists from coming near or even entering the premises.
3. When firms are attacked, the production and economic process is disrupted. The firms directly or indirectly affected may be induced to relocate to other areas or countries. International firms are less likely to undertake direct foreign investments in that area. The economic situation within the affected country may worsen, leading to dissatisfaction and possibly even revolts, making it more likely that the proclaimed goals of terrorists become more acceptable and reasonable.
4. Some companies may be part of the control and authority on which the power of the government that is opposed by the terrorists rests. The firms may be owned by the government or by members of the government (Oladimeji, et al 2014).

### **Terrorism as a threat to economic development in Northern Nigeria**

Many studies have shown that terrorism and insecurity hinders growth and economic development of a nation.

Achumba, et. al (2013) in their study insecurity in Nigeria and its implication for business investment and sustainable development indicated that insecurity challenges in the country is enormous and complex and would continue to be, if the situation remains unabated. Otto and Ukpere (2012) carried out a study on national security and development in Nigeria. They observed that there is a positive relationship between security and development while insecurity is debilitating to the economic development of many less developed economies.

Sandler and Ender (2008) concluded that 'given the low intensity of most terrorist campaigns, the economic consequences of terrorism are generally very modest and short-lived. The economic influence of terrorism is anticipated to surface in specific sectors that face an enhanced terrorism risk, such as the tourist industry or FDI, these conclusions were drawn from their study' Economic consequences of terrorism in developed and developing countries.

One could classify the consequences of terrorism by their economic and non-economic effects (see Frey, Luechinger and Stutzer, 2007). The economic effects could arise from several channels, but four of them seem to be particularly pervasive. First, terrorism has a direct effect on the economy through the destruction of human and physical capital (Collier, 1999). Second, terrorism is likely to induce counter-terrorism expenditure, thereby diverting

expenditure from production-related activities to defence-related activities, which are generally considered to be less productive (Blomberg, Hess and Orphanides, 2004; Gaibulloev and Sandler, 2011). Third, terrorist activities create economy-wide risks and uncertainties that distort the equilibrium resource allocation within a country by changing individuals' savings, investment, and consumption behavior. Moreover, this risk and uncertainty effect also leads to the redirection of foreign direct investments (FDI) away from the country with a higher risk to those with lower risks (Blomberg, Hess and Weerapana, 2004; Eckstein and Tsiddon, 2004). Indeed, a recent World Bank study shows that FDI has been redirected from Nigeria to other West African countries, particularly Benin (see IEP, 2014). Fourth, terrorism is known to negatively affect several sectors of the economy, especially tourism and financial markets (Eldor and Melnick, 2004; Enders and Sandler, 1996).

To be sure, desiring for development amidst terrorist attacks is illusory, as no real development can be attained in a war prone society characterized by incessant bombings and attacks, considering that Nigerian democracy is nascent and can be easily disrupted by unrest. Ali Mongono, Current Security adviser to the Nigerian President was quoted speaking to Sun Newspaper saying people no longer go out for their normal business in daytime and they cannot also sleep in the night. Yet people are hungry but they are afraid of going out to look for survival, so as not to be killed or bombed, but then, they are also weary of staying at home (Sun Newspaper, July 2, 2011). Boko Haram menace is a bane to economic development. Looking at it internationally, Boko Haram crisis has added to the fear of foreign investors that are in Nigeria. (Abony, 2009)

Therefore, no economic development could take place in an atmosphere of fear, anarchy and insecurity, economic activities have been affected mostly the petty traders who earn their meal on daily routine. Banking sector have equally suffered setback as some commercial banks were closed in some of these areas. More so, humongous amounts of money meant for development and provision of infrastructure -good roads, electricity and other vital amenities, have been diverted to security issues.

The Nation Newspaper (2013:3) reported about the activities of Boko Haram in Borno and neighboring Yobe State has been crippled economically and thousands of people have died in the sect's bloody campaign. It must be noted that Boko Haram have not only led to closure and or abandonment of people's business activities within affected region but also led to migration of people from the affected region as well as once led to reduction of people's patronage of product from Northern Region because of rumor that members of Boko Haram are planning to send poisonous product from their region to other



parts of Nigeria. No wonder Mr Umar Ibrahim Yakubu (Leadership Newspaper: 2012) opined thus in respect of Boko Haram; we discovered that 97 per cent of businesses were negatively affected by the security problem. Some of them had to close down, some of them had to retrench their workers, and others had to cut down in the number of hours of operation (Akinyetun, 2017).

Also the insurgencies of Boko Haram have reduced drastically government derivation from the affected region due to restiveness in those places as well as reduced investment and growth of business in the affected places without excluding government executed project.

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The 2011 World Investment Report of the United Nations Conference on Trade and Development reported that lull in business activities caused by insecurity in Kano State alone has cost the Nigerian economy N1.3trillion (\$6 billion) as a result of attacks by the Boko Haram group. It was further reported that the report monitored on the Voice of America (VoA) also shown that Centre for Research and Documentation in Kano attributed the development to a drop in earnings for nearly all businesses in the state (Leadership Newspaper: 2012).

It could be recalled that few years ago, United State of America warned her nationals not to go to some states in Nigeria, also it is once reported that there are strong indications that Nigeria may be blacklisted by international anti-money laundering watchdogs called Financial Action Task Force (FATF) over its inability to track the source of funds of Boko Haram and curb terrorism financing in general (Odidison Omankhanlen and Johnson Babajide: 2012).

## **Solutions to Terrorism in Northern Nigeria**

### **1. Counterterrorism**

Counterterrorism involves those efforts a nation uses to combat or counteract terrorist activity. Counterterrorist campaigns take place on many levels, often involving multifaceted military surveillance and attack, diplomatic efforts, economic strategy, and law enforcement and intellectual tactics. A unique, worldwide campaign involving many countries around the world joined together to fight those terrorist groups that might threaten international stability and the interests of democratic nations (Misiroglu, 2003).

As opined by Misiroglu (2003), because the enemy is not one particular country, but rather a somewhat elusive entity, political scientists have likened the war on terrorism in some respects to cold war which requires being fought at home and abroad through multiple operations, including diplomatic, financial, investigative, humanitarian, and homeland security efforts (Akinyetun, 2017).

From a diplomatic point of view, the United Nations Security Council unanimously enacted a binding resolution requiring all member countries to pursue terrorists and those who support them, financially or otherwise. Nineteen NATO nations invoked Article V declaring an attack on one as an attack on all, and the Organization of American States invoked the Rio Treaty, obligating signatories to consider an attack against any member as an attack against all. Financially, the United States and other nations have frozen millions of dollars in assets belonging to the Taliban, bin Laden, and the Al Qaeda network. More than 150 countries have joined the effort to disrupt terrorist assets. On an investigative front, counterterrorist operations have been intensified with more than 200 intelligence and security services worldwide (Akinyetun, 2017).

### **2. Youth Empowerment**

Hence, Omale (2013) argues that the evidence on using job creation as part of a integrated or comprehensive armed conflict or Anti Violence Response (AVR) strategy is strong: some government-led initiatives in countries that experience high levels of armed violence (such as Brazil and South Africa) are good examples. So emphasis on youth Anti Violence Response (AVR) strategy should be based on holistic, 'comprehensive' and integrated' approaches that go beyond simply addressing a lack of economic opportunities, but seek to address the more complex array of factors (like belief system, religious, political and ethnic fundamentalism) that make youth entrepreneurs of violence rather than peace-seeds. This is imperative because Omale argues that, if youth involvement in terrorism is becoming a real threat, then the primary step is to try to understand the phenomena of increase, and the causes of such criminal deviance.

### **3. Institutional and Capacity Building**

The foundation of good governance is built on the rule of law; equality and fairness. When individuals and nations understand that all created beings irrespective of their race, religion, culture, sex etc. are equal before God, then exploitation, oppression, intimidation, suppression and others alike will be eliminated. It must be noted that terrorism triumph in areas where people are mostly oppressed,

suppressed and exploited. These are the fuel needed to fan the embers of terrorism. In the world today democracy affords nations the opportunity to rule by democratic principles and standard that ensures a peaceful co-existence. This must be imbibed in Nigeria, so that the citizens will feel and see democracy in practice. Our developmental indices should indicate an upward movement across all aspects of our socio-economic imperatives. There are no industries, no power to sustain cottage industries, no road to areas of need, no water and poverty is written on the faces of the people. Terrorism cannot be fought when those things that caused them are left visibly begging to be solved (Akinyetun, 2017).

### Conclusion and Recommendations

The world we live is seriously under threat; domestic and international threat perpetuated on the basis of frustration, aggression, marginalization, ideology and such other excuses by terrorists, otherwise enemies of development. Terrorists' activities have influenced on the supply and demand of the buyer. Mostly, there are two types of terrorism effect, which are direct effect and indirect effect. The direct effect has influenced on the business consequences and indirect effect has influenced on the government policies, laws and regulations. Due to these threats the national and international businesses have to face the potential threats. The extent of violence and destruction that has been associated with the Boko Haram insurgency in Northern Nigeria has been horrifying and the advent of suicide bombings, kidnappings, assassinations, arm robbery, banditry and militia by terrorists has signaled a new dimension to the national security challenge in the region. In the face of this situation, the sustenance of Nigeria national security and economic development are at best problematic. Aside from this, terrorism in Nigeria increases public Insecurity threatens livelihood, increases human right abuses, increase population displacement and refugee calamity and enlarge human casualties/fatalities. Therefore, this study recommended that;

1. Government should declare war on terrorism and seek assistance/advice from international community who in the past time have faced this kind of challenge and were able to tackle it.
2. The Nigerian Military should be empowered more with arms to fight this insurgency. Moreover, additional budget outlays have been granted the armed forces to better equip them to fight terrorism in the country.
3. Government should focus on the youth employment and financial support for the development of the nation.

4. Government should make proper laws against the terrorism activities.
5. The federal government of Nigeria should revive Amnesty programs, which was designed to pardon repentant militants and rehabilitate them through vocational and professional training programs and also offer them monthly stipends during the process of integration back into the society.
6. Grazing grounds or ranches should be built in all states of the country for Fulani herdsmen who rear cattle, this will help to stop the killing of farmers whom they graze cattle on their farms.
7. In Nigeria, there is need of development of human capital.
8. Government should show the incentives for local and foreign investors.
9. The government should accelerate the rapidity of economic growth by creating an economy with a relevant economic and physical infrastructure to support business and industrial growth in Nigeria and particularly the Northern region.

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