

## An Appraisal of the Implications of Boko Haram Insurgency on Nigeria's International Economic Relations, 2008-2014

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### ABSTRACT

The emergence of Boko Haram insurgence in Nigeria opened a new chapter in the history of insurgency in Nigeria, It has, for instance, brought with it suicide bombing and senseless killings of innocent citizens to the shores of Nigeria; a thing that was hitherto alien to the Nigerian clime. The once peaceful and respected nation suddenly became associated with terrorism and terrorists activities. Furthermore, Nigeria's attempt to check the menace of the Boko Haram insurgency group, received condemnations from some countries and human rights organizations on the ground of human rights abuse by the Nigerian armed forces. While there is a strong possibility of an external link and support for the terrorists, the country is faced with investor's apathy on the other hand. Accordingly, this study did "An Appraisal of the Implications of Boko Haram Insurgency on Nigeria's International Economic Relations, 2008-2014". Apart from the background to the study and statement of the problem, we also posed three research questions as well as the objectives of the study. The significance of the study was also stated in theoretical and empirical terms. We adopted the systems theory as our explanatory framework and also explained its applicability to the study and went ahead to postulate three testable hypotheses, which were validated in the course of the study. Among the numerous findings of the study are the facts that Boko Haram insurgency has negatively affected Nigeria's external economic relations; that the insurgency has drastically affected foreign direct investments (FDI) into the country and that the response of the Nigerian state to the insurgency has been less than salutary. Consequently, the study made some recommendations, which include empowering and motivating the military establishment; increasing the level of internal and external intelligence gathering, synergizing with sister states in the fight against the insurgency and ensuring good governance, which will create employment and ensure that the country's bulging youth population is gainfully employed.

Keywords; Implication, Boko Haram, Insurgency, Economic and Relations.

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### INTRODUCTION

The essence of international relations is premised on the assumption that no country is an island [1,2,3,4,5]. From its simplistic definition as the relationship among national governments, international relations have come to encompass the aggregate actions of both state and non-state actors [6,7,8,9,10]. All these actors, through their conducts, bear directly on a country's relations with other countries. In our time, it does appear that the activities of non-state actors and the response by national governments have tended to define the rules of engagement among nation-states and also of non-state actors in the international arena [11,12,13]. The main focus of all foreign policy formulators is

to articulate in clear terms their country's national interest, which serves as a guide in their relations with other nations [14,15,16,17,18]. The efficient administration of foreign policy objectives is based on credible and widely accepted principles that help shape a country's image in the international system. [19] submits that the domestic structures or factors are not irrelevant in the relationship of one country with another; basically because such domestic factors could, in the final analysis, determine how other countries respond to that country at any period. At a minimum, it determines the amount of social effect which can be devoted to foreign policy. Buttrressing further, [20], has also argued

that-the domestic political structures and processes bear great impact on the nature and character of foreign policy because they serve as channels for internalization of the international environment and events thus making them intelligible and of value to the participants in domestic political roles [21].

The emergence of terrorism in Nigeria, owing to the rise of Islamic fundamentalism in Northern Nigeria, appears to have greatly undermined the country's foreign policy drive. Boko Haram activities in Nigeria have led to disturbing reactions from groups and nations that have been affected by its activities in the country thereby leading to deterioration of foreign relations of these countries with Nigeria [22]. [23], has argued that domestic policies and actions of sovereign governments, routine exercise of power on matters, which border on day-to-day governance can snowball into foreign policy controversies that can attract global attention. The operation of terrorism in Nigeria has moved from the sphere of domestic or, internal politics to the international domain [24]. Terrorist acts in Nigeria by Boko Haram and other groups have generated so much interest from the international community raising questions as to the potency of government's strategy to deal with the menace. This is because the audacity of the group has continued unabated amidst government claims of winning the war, but everyday casualties increase at alarming rates after each attack making the general public to lose confidence in the system. The attacks on the United Nations (U.N) building in Abuja in 2011 resulted to intense pressure from the international community on Nigeria to end the insurgency, which began as a '*petty domestic*' issue that was overlooked

#### Statement of the Problem

There is no doubt that terrorism, in any guise, constitutes a huge threat to international economic relations. Since the attack on World Trade Center in the United States of America on September 11, 2001, the world has witnessed an unprecedented upsurge in terrorist

by government. The above became necessary due to the internationalization of the conflict, which came to a climax when Boko Haram was indoctrinated into a *takfiri* and *Jihadist* group in 2009 [25] and its subsequent link to international terrorist groups such as Al-Qaeda in Islamic Maghreb (AQIM). The aftermath of this event led to its sophistication in operation as it migrated from a domestic insurgency group to a global *Jihadist* movement with far-reaching consequences for Nigeria's economic development.

According to the Global Terrorism index (GTI), Nigeria moved from 16 in 2008 to 11<sup>th</sup> in 2009 and 12<sup>th</sup> in 2010 and now 7<sup>th</sup> with GTI of 7.4. Nigeria is presently rated worse than Sudan, which is ranked 11<sup>th</sup> and Mali 34<sup>th</sup> [12]. The scenario has led to Nigeria losing its respect in the comity of Nations as no country will be inclined to establish a mutual relation with a country where bombs go off at will.

The task of this study is to appraise the implication of Boko Haram insurgency on Nigeria's economic relations from 2008 to 2014. In other words, the study set out to examine how the activities of Boko Haram have affected Nigeria's economic relations with the rest of the world. And here, we should understand that economic relation among countries is anchored on international trade and finance. International trade involves the exchange of goods or services and other factors of production, such as labor and capital, across international borders, while international finance is concerned with the flow of financial assets or investment across borders. These cross-border economic activities could be done by the state or non-state actors and such activities, especially of non-state actors have significant implications for international economic relations.

activities. From the Middle East to the USA, Asia, Europe and Africa, there is no end to the tale of woes wrought on states by terrorism. As a matter of fact, not since the end of the Cold War, has the international community been subjected to such wide-ranging threat to its peace

and stability as in this era of terrorism. The issue of terrorism has become a global concern so much so that it has created economic reversals in many countries. Terrorism appears to have remained problematic to the international community and national governments because of its increasing negative impact on the development of national economies and conduct of international relations among countries (Ojukwu, 2011, pg.3). Terrorism, no matter how we see it, is commonly denominated by acts of large-scale violence and bloodshed, usually perpetrated through suicide bombings, hostage-taking, kidnapping and wanton destruction of lives and property. These variants of terrorist activities have gained recognition and execution in Nigeria, especially through the terror group known as Boko Haram. One disturbing trend of terrorism is the availability of sophisticated weapons of war at the disposal of terrorists. It is this access to weapons of war by the terrorist groups especially in countries like Nigeria that actually presents the most difficult

problems to national and international security and economic relations. This is because in a country like Nigeria where acts of terrorism by Boko Haram are rife, there is always a proliferation of arms among a diffuse segment of the population, which is very difficult to track and identify. The availability of such weapons to these terrorist groups creates panic and tension in government circles; creates a sense of insecurity and escalates economic and political instability and uncertainty in the country. This trend appears to have impacted hugely on Nigeria's economic relations with other countries through drastic reduction in capital stocks; in terms of human and material resources. The reduction of such capital stocks in Nigeria, especially in many parts of northern Nigeria where the activities of Boko Haram are concentrated, is enormous. This has consequently increased government expenditure in counter-terrorism measures by drawing resources from other productive sectors of the economy.

#### Research Questions

- 1) To what extent has Boko Haram insurgency impacted on Nigeria's economic relations with other countries especially her neighbours within the period under review?
- 2) Is there a significant relationship between Boko Haram insurgency and

- inflow of foreign direct investment (FDI) in Nigeria from 2008-2014?
- 3) How has the Nigerian State responded to the challenge of Boko Haram with a view to restoring confidence in her economic relations with other countries within the period covered by this study?

#### Objectives of the Study

The general objective of this study is to appraise the implications of Boko Haram insurgency on Nigeria's international economic relations from 2008 to 2014. From this general objective, the following specific objectives are outlined below"

- a). To determine the extent to which Boko Haram insurgency has impacted on Nigeria's economic relations with other countries especially her neighbours within the period under review

- b) To establish if there is a significant relationship between Boko Haram insurgency, and inflow of foreign direct investment (FDI) in Nigeria from 2008-2014
- c) To explain how the Nigerian State has responded to the challenge of Boko Haram in her bid to restoring confidence in her economic relations with other countries within the period covered by this study

#### Significance of the Study

This study is significant in both theoretical and empirical terms. Theoretically, the study is significant in terms of theory-building basically

because it will contribute to the academic discussion on the nexus between Boko Haram insurgency and Nigeria's international economic relations as well

as factors responsible for the emergence of groups like Boko Haram in Nigeria. The study will also situate issues in Nigeria's international economic relations in proper context in terms of determining how far the leadership has managed the problems of Boko Haram and other related challenges in driving national economic development. The study will equally be relevant in filling the yawning gap that exists in literature on the relationship

between Boko Haram Nigeria's international economic relations. In terms of empirical significance, the study will contribute in recommending practical steps towards curtailing the activities of Boko Haram and fighting terrorism in the country. Again, through its findings and recommendations, the study will serve as a guide to all major stakeholders in corporate management and policy formulation in Nigeria.

#### Scope of the Study

Terrorism and its consequences is a very wide area of interest to scholars. However, the scope of this study is

limited to the appraisal of the impact of Boko Haram insurgency on Nigeria's international economic relations.

#### Limitations to the Study

The issue of Boko Haram insurgency is a very sensitive subject in Nigeria and this has made discussions on the subject very emotional. This is because the group is perceived from various dimensions. While some Nigerians tacitly support the activities of the group for political and religious expediency, others condemn it as a terrorist group. This diffuse nature in the perception of the group is a major constraint in properly contextualizing its

impact on the country. Thus, much as the opinions of commentators on terrorism and Boko Haram insurgency in Nigeria are numerous, these opinions are subjective. Even though tonnes of materials have been written on Boko Haram and its activities, the attempt by the researcher to visit areas in northern Nigeria affected by the insurgency was aborted due to the challenge of insecurity in the region as well as paucity of funds.

#### RESEARCH METHODOLOGY

Research methodology could be defined as the systematic or theoretical analysis of the methods applied to a field of study. It is the general research strategy that outlines the way in which a research project is to be undertaken and, among

other things, identifies the methods to be used in it. These methods, described in the methodology, define the means or modes of data collection or, sometimes, how a specific result is to be calculated.

#### Research Design

Research Design, according to [7] quoted in [8] denotes the range of approaches used in research to gather the appropriate data to be used for the purpose of inference and interpretation on which to anchor explanations and predictions. So research design, in essence, deals primarily with the process of the research. For this study, we are concerned with *"An Appraisal of the Implications of Boko Haram Insurgency on Nigeria's*

*International Economic Relations, 2008-2014"* The research used a combination of approaches such as the exploratory and qualitative approach. We employed exploratory method because of its inductive advantage in eliciting information. We also used the qualitative research method. This requires basic skills in critical interpretation, analysis and evaluation of information contained in various data collected for this study.

#### Instrument of Data Collection

For this research, we used secondary instruments of data collection. The secondary data were sourced through

textbooks, journals, newspapers and magazines and periodicals and through the internet.

#### Method of Data Analysis

For the secondary data generated, we used content (face) validity as our method of data analysis. Content validity,

according to Kerlinger in [8] refers to the representativeness or sampling adequacy of the content of a measuring instrument.

It is guided by the question of whether the substance or content of a measure is representative of the content or the

universe of content of the property being measured. It is regarded as face validity because of its judgmental nature.

#### Test of Validity

The validity of our instrument of data collection was established or guaranteed using logical validation method. The logical validation method leads to the process of validation through expert opinions in the area in which an investigation is conducted. Therefore, the validity of this research was established from the opinions of those who have volunteered their views on this issue either in textbooks, seminars, journals, televisions and radios and even on the internet.

#### DISCUSSION AND FINDINGS

It is commonly agreed that the fundamental objective of any government is to protect the lives of the citizens and also the national values. In Nigeria, the core national values have to do with our survival as a nation; our self-preservation and self-perpetuation. There is no gainsaying the fact that Nigeria is presently experiencing serious difficulties in maintaining its national security. In looking at the security challenges of Nigeria today, no matter our patriotic declarations, we would not deny the fact that the country is a perilous environment. Many states in the international community, especially Western Europe and the USA have this impression that Nigeria is a very unsafe place for investment or doing business. Such impressions could be forgiven in the light of current security situation in the country symbolized by religious and ethnic conflicts, treacherous political terrain, high rate of unemployment and outright acts of terrorism by Boko Haram. According to [10] insecurity and acts of terrorism are not peculiar to Nigeria essentially because even the developed economies of Western Europe and the USA as well as other countries in Asia, Middle, South and Central Africa are experiencing similar challenges within their borders. However, what is in issue here has been the marked difference between these countries and Nigeria in managing these security challenges; level of anticipation and preparedness; method of deployment of resources and logistics against security threats and the level of unity and patriotism among the various segments in the society. It is given that the costs of

terrorist activities such as the ones carried out by Boko Haram are enormous [7]. As a matter of fact it is by appreciating the costs of the activities of Boko Haram that we would be able to understand the enormous consequences on Nigeria's external economic relations. The cost of crime can be incurred as a result of actual experience of criminal activities, when there is physical injury, when properties are stolen, damaged or destroyed. As a consequence of the prevalence of crime in society, the demographic composition may be altered through mass movement of people from crime-prone areas to areas perceived to be relatively crime-free. This can also lead to brain-drain and other socio-economic problems. Recently, Nigeria was ranked in 14<sup>th</sup> in the list of the most failed states in the world out of the 177 countries considered in the ranking by the *Fund for Peace*, an American independent non-profit research and educational organization that works to prevent violent conflicts and promote sustainable security in the world. When the pillar of national security is weak, the structure quivers and sends sensations to the occupiers and potential occupiers of such structures. This is the case with the Nigerian state, where insecurity and unrelenting violence by Boko Haram in the country has continued to pose a threat to the nation's economy and investments.

In the wake of the Boko Haram terror group in the country, many international agencies and countries began to issue travel warnings to their citizens about the dangers involved in travelling and doing

business in some parts of Nigeria. Precisely, the United States warned American citizens of the risks of coming to Nigeria, with particular emphasis to Northern Nigeria. There is no gainsaying the fact that this has grave consequences for the country's external economic relations.

Terrorism has always had huge financial implications and burden to the affected country. For example, it has been estimated that the city of New York alone lost US\$21 billion as a result of the 9/11 terrorist attacks. With the establishment of the Homeland Security, the US Government now has to spend a whopping US\$500 billion on security alone.

Globally, it has also been calculated that world GDP decreased by a whopping US\$3.6 trillion in 2012 as a direct and indirect consequence of terrorist activities in 2011. This amount can be put in perspective when we realize it amounts to a third of the GDP of the United States and exceeds the combined GDP of Argentina, Italy and Britain. Another area of economic cost relates to the impact of terrorism on international trade supply chains, i.e. the sequence of steps that global suppliers of goods take to get products from one area to another [3]. In a similar way, the budget of N921.91 billion earmarked to combat terrorism in Nigeria in the year 2012 alone could have been deployed to development programmes that the nation desperately need.

Apart from the economic and monetary costs associated with terrorism, there are also social and psychological costs. Terrorism erodes inter-communal trust and destroys the reservoir of social capital that is so vital to building harmonious societies and pooling together community energies for national development. The attendant proliferation of small arms and the militarization of society results in a vicious cycle of violence which hampers national cohesion and stability. The long-term impact of such violence on cities and regions is best exemplified by the impoverishment that has affected the north-east and north-

west and some parts of north-central regions of Nigeria. For most of the northern Nigeria, the ongoing terrorist activities of Boko Haram have had a significant negative impact on the regional economy. Lebanese and Indian expatriates who have established businesses in Kano dating back decades have relocated to Abuja and the southern parts of the country. A good number have left the country altogether. Hotels, banks and other businesses have witnessed significant reductions in their activities. The border towns that have thrived on trade with neighbouring countries have also seen their businesses curtailed because of increasing restrictions on cross-border traffic. In Kano alone, an estimated 126 industries have recently closed down [6]. Another trend is the massive movement of southerners from the north, many of them SME operators and professionals.

Boko Haram insurgency and terrorism is a bad signal to foreign investors. The issue of investment and development is directly related to the issue of security. No investor will come to invest in Nigeria with the current security challenge posed by Boko Haram. Some experts believe there are no criteria to quantify the loss to the economy consequent on the activities of Boko Haram. Many lives have been lost due to the Boko Haram onslaught. Many families have been scattered, and their ambitions cut short. In terms of properties, the scenes of each bomb blast present a scenario of massive waste and destruction. As such, some have concluded that any figure that is thrown up from any source may be a scratch on the surface [7]. The Human Rights Watch (HRW) reported that in 2011 alone, Boko Haram struck 115 times and killed 1550 people. Within the first three weeks of the year 2012, the sect killed over 750 people with the deadliest being the coordinated bombings in the ancient city of Kano, which claimed 185 lives. A few weeks later, another 12 people were killed in a shoot-out between the Joint Task Force (JTF) and members of the sect in Maiduguri, Borno State. On Sunday, February 26, suicide bombers hit a

Church in Jos, killing four persons, with another four in a reprisal attack, and destroying 38 vehicles. In the night of the same day, gunmen attacked Shuwa Divisional Police Station in Madagali local government area of Adamawa State, killing three policemen on guard. The number continues to add on a daily basis [8].

For a cause that is neither war nor natural disaster, the nation, according to a recent report by the Human Rights Watch (HRW), lost more than 1935 of its human capital between 2009 and 2012. In terms of finance and investment, though direct and indirect loses are unquantifiable, a World Investment Report (WIR) of the United Nations Conference on Trade and Development (UNCTAD), estimated that the domestic economy lost a whopping N1.33 trillion Foreign Direct Investment (FDI), owing to the activities of Boko Haram terrorists [8]. The quest for rapid industrialization of Nigeria, necessary for development, suffers setbacks globally

*The attack on Kano is so significant because the city has always been the commercial centre of Western Sudan for the past 500 years, ever before the evolution of Nigeria. So, when you destabilize peace in Kano you threaten the foundation of economic and social well-being of the northern region [7].*

The fear caused by the Boko Haram bombings in particular has made most foreign investors that usually featured at the annual Lagos Trade Fair to showcase their products to stay away and even those who came, had heavy security network around them. It would be recalled that the decline in investment had been lately generally attributed to the increasing rate of insecurity in the country, as well as infrastructural decay. According to the UNCTAD report, FDI flows to Nigeria fell to \$6.1 billion (N933.3billion) in 2010, a decline of about

because every time the bombs explode, the international media quickly flash them to every part of the world. Even though the activities of Boko Haram are more restricted to the Northern part of the country, the entire nation suffers the global impact because those outside Nigeria believes that the calamity is all over Nigeria, hence, creating fear in the heart of prospective foreign investors. In the same way, Nigerian prospective investors hear all these things. The bombings create fears such that whoever plans to come and invest will draw back. Prospective investors receive the news in such a way that they think the entire country is on fire. In his own view, the former Minister of Information, Mr. Labaran Maloi, said terrorism in places like Kano, which serves as the commercial nerve-centre; not only of the North, but neighbouring countries like Chad, Niger Republic and Northern Cameroon, is destroying the Northern economy. According to him,

29 per cent from the \$8.65 billion (N1.33 trillion) realized in 2009 fiscal year. Also, statistics obtained from the 2010 Annual Report by the Central Bank of Nigeria (CBN) showed that the total foreign capital inflow into the Nigerian economy in 2010 was \$5.99 billion. The record showed that FDI represented about 78.1 per cent drop from \$3.31 billion in 2009 [8].

Perhaps, the most disturbing consequence of Boko Haram activities is the sharp reduction in the number of people attending schools in the northern parts of the country.

#### Findings

From our discussions above, we can outline the following findings:

a) Terrorist activities by Boko Haram have created huge security challenges in Nigeria and made the country a dangerous environment for domestic and foreign investors to operate.

b) Insecurity and acts of terrorism are not peculiar to Nigeria essentially because other countries are experiencing similar challenges within their borders.

c) Nigeria appears to be deficit in managing these security challenges in terms of level of anticipation and preparedness; method of deployment of

resources and logistics against security threats and the level of unity and patriotism -among the various segments in the country.

d) Due to the activities of Boko Haram terror group in the country, many international agencies and countries have issued travel warnings to their citizens about the dangers involved in travelling and doing business in some parts of Nigeria and this has drastically affected the development of the country.

e) Huge resources have been committed by the Nigerian government in combating Boko Haram insurgency to the detriment of other sectors of the economy. Terrorism has always had huge financial implications and burden to the affected country.

f) Terrorism in Nigeria has impacted negatively on international trade supply chains, i.e. the sequence of steps that global suppliers of goods take to get products from one area to another Billions of Naira have been earmarked to combat Boko Haram terrorism in Nigeria, which could have been deployed to development programmes that the nation desperately need.

g) In Nigeria as in other climes, terrorism has eroded inter-communal trust and

#### Restatement and Validation of Hypotheses

In Section II of this study, we postulated the following hypotheses: H<sup>1</sup>: Boko Haram insurgency appears to have impacted negatively on Nigeria's economic relations

#### Validation of the Hypothesis

There is no doubting the fact that Boko Haram's brutal Islamist insurgency has stalled Nigeria's development, inflamed ethnic tensions and raised concern among its neighbours. The Boko Haram insurgency has increased tensions between various ethnic communities, interrupted development activities, frightened off investors and generated concerns among Nigeria's northern neighbours. This extremist group is fighting to establish an Islamic state in Nigeria and has carried out waves of terrorist attacks across the region. Some of the violence has occurred along the northern borders with Cameroon, Chad and Niger amid fears that Boko Haram

destroyed the reservoir of social capital that is so vital to building harmonious societies and pooling together community energies for national development.

h) It has also led to the proliferation of small arms and the militarization of society.

This has resulted in a vicious cycle of violence which hampers national development, cohesion and stability.

i) For most of the northern Nigeria, the ongoing terrorist activities of Boko Haram have had a significant negative impact on the regional economy. There is massive out-flux of businesses and people from the region and this has a direct impact on national development in Nigeria,

j) The sect has massively recruited from the almajeri population in the north and capitalized on the unemployment of youths in the region and leadership corruption in the country to indoctrinate young men and women into its ideology of destruction k) Finally, Nigeria's quest for industrialization has received serious knocks from the activities of Boko Haram because prospective investors are scared to invest and FDI has reduced significantly.

with other countries especially her neighbours within the period under review

fighters could spill into neighbouring states. To say that the deadly activities of the Islamic sect, Boko Haram, are killing the economy of the North is an understatement. In most states in the North, the devastating socio-economic effects of the sect's serial killings and bombings, especially in Borno, Yobe, Niger, Kaduna, Kano, Plateau, Kogi, Bauchi and Sokoto, have destroyed economic and commercial activities with many people relocating to other places. In Maiduguri, Borno State, where the sect originated, the frequent bombings and clashes between Boko Haram and security agents have weighed down seriously on commercial and businesses activities in the city as



many business have crumbled while many people have fled the state. For instance, the Maiduguri Monday Market has been seriously affected as hundreds of shop owners; especially Southerners have closed their businesses and left the troubled city. About half of the 10, 000 shops and stalls in the market have been abandoned by traders who have fled the city. Banks and their customers are presently operating under difficult situations. Commercial banks in most parts of the north have reduced their business hours to guard against being attacked by members of the sect. According to the Borno State Commissioner of Information, Mr. Inuwa Bwala, it will take the state 20 years to recover from the current predicament it has found itself [8]. Undoubtedly, the treacherous security situation in the north has taken its toll on the economy of the region as many people have fled. Foreign investors that have been doing businesses in many parts of Nigeria's northern region for ages have been forced to relocate their businesses due to the unending security challenges in the region occasioned by Boko Haram insurgency. Nigeria is now regarded by other countries as the riskiest place to do business in Africa and many countries with reasonable business or economic concerns in Nigeria are relocating their economic interests to other African states. Kano city, for instance, which is reputed to be the hub of business and commercial activities in

#### Validation of the Hypothesis

Since Boko Haram resumed its operations in 2010, foreign direct investment (FDI) into Nigeria has plummeted, owing to the political instability the country has faced. According to the World Investment Report (WIR), 2013, FDI flows into Nigeria dropped by 21.3 percent in just one year from \$8.9 billion in 2011 to \$7 billion in 2012. This substantial loss in FDI over a short period of time has many consequences for the country. First, FDI into Nigeria has a direct impact on trade, assuring progression of economic growth. Second, FDI inflow supplements the available domestic capital by stimulating the productivity of domestic investments.

the entire 19 Northern states and beyond, is gradually losing steam. Media reports estimate that about 80 per cent of the industries in the city have closed shops, due to the daunting security challenges. The security challenges have impacted negatively on both the private and public sectors of the economy. According to *This day* [9], about 35 per cent of the over three million Igbo businessmen and traders in the city who engaged in both small and medium scale businesses have fled to Abuja and the South-east due to the growing insecurity posed by the activities of Boko Haram. The indigenous business communities in the city especially the textile merchants are not faring better as their customers who used to patronize them no longer go to Kano for fear of the unknown. The Durbar Festival in Kano which used to attract local and international tourists has been suspended because of security issues. This has affected development, not just in northern Nigeria but also in the entire country. Following from the foregoing, it is trite to conclude that the violent and terrorist activities that have been unleashed on the Nigerian society in a sustained manner by Boko Haram tend to hamper national development in the country. We therefore accept our hypothesis. *H<sup>2</sup>: There seems to be a significant relationship between Boko Haram insurgency and inflow of foreign direct investment (FDI) in Nigeria from 2008-2014*

And lastly but most worrisome is, the high co-dependency ratio between the inflow of FDI, the Nigerian oil sector, and the country's GDP. The mass emigration of Nigerian citizens, who are non-indigenous to the northern region of the major conflict-affected cities, is the second formidable threat posed by Boko Haram to the Nigerian economy. The rush to escape from the north is already affecting the profitability of business establishments in that region. For example, commercial banks have begun closing down their business outlets due to a decrease of economic activities in the area. Also, employees of these

institutions are increasingly demanding that they be posted to less volatile branches. The consequences of this can be imagined. A massive departure from the northern region will not only constitute a depletion of economic affairs in the north, as happened in the Basque country of Spain. It will also throw those who are departing from the north into financial and psychological pressures. Moreover, the political insecurity in northern Nigeria is already affecting the services industry, especially those that have a bulk of their operation in the region. The financial services sector is the most affected; banks are closing down their branches and insurance premiums are rising.

This situation has become worse by the lack of insurance policies covering terrorist attacks in the country. At present, the Nigerian insurance industry is still trying to decide upon how to provide terrorism insurance policies that will meet the needs of the population. The economy of Nigeria, a country teeming with a population of over 170 million, is of strategic importance to peace, order and regional security in sub-Saharan Africa. The well-being of the region's economies in countries like Cameroon, Chad, Niger, and Benin amongst others, are inter-linked and dependent on the Nigerian economy. Boko Haram insurgency is a major threat to this regional stability and Nigeria's external economic relations. Thus, we accept our hypothesis that Boko Haram insurgency appears to have impacted negatively on Nigeria's economic relations with other countries especially her neighbours within the period under review

*H<sup>2</sup>: The Nigerian State seems not to have responded to the Boko Haram insurgency with a view to restoring confidence in her economic relations with other countries*

On January 25<sup>th</sup> 2014, Boko Haram launched a major offensive on Maiduguri, the capital of Borno state, and two other towns. The attack, which left more than 200 combatants dead, was repulsed by the Nigerian military, but it shook the security of the government and people of

Borno. That was the serious attack by the insurgent group until then, which represent a major existential threat. The attack on Maiduguri, the second since December 2013, underscored the grave challenge that Boko Haram poses to Nigeria and the country's weak and slow response to this threat. The Nigerian government needs to review its faltering counter-strategy and strengthen the political, military and diplomatic structures crucial to reversing this dangerous tide. Since 2014, the insurgent group has continued its offensive despite Government's claim that it has defeated the group. For instance, the insurgents have seized the town of Monguno and its large army barracks, forcing over 1,400 Nigerian soldiers to seek cover in the bush. Boko Haram now controls an estimated area of 30,000 square kilometers, including nearly half of Borno and parts of neighboring Adamawa and Yobe states. It is making frequent incursions into Cameroon and has threatened to expand its attacks in Chad and Niger. Boko Haram's gains have cost Nigeria severely. Since 2010, the group's attacks have caused more than 13,000 deaths, 60 percent of them from 2013 to 2015. After its abduction of almost 300 Chibok school girls in 2013, Boko Haram has kidnapped hundreds more, forcing the men and boys to join its ranks and selling or sharing the girls and women as "wives" or sex slaves. The violence has displaced more than 1 million people, driving at least 170,000 into Niger, Chad and Cameroon. It is aggravating food shortages across the region: Three million people are presently unable to meet their basic food needs, according to US AID's Famine Early Warning Systems Network. There is no doubt that reversing Boko Haram's gains requires bold and decisive political, military and diplomatic actions, particularly by Nigeria but also by international partners. However, there are reasons why the Nigerian state is finding it difficult to contain Boko Haram. The first is weak political leadership. The second is weak security institutions. Authorities maintain that the military is handicapped on several fronts. It is not

trained to fight an insurgency, is stretched thin by deployments in 32 of the country's 36 states and a counter-insurgency theater that spans 150,000 square kilometers and lacks vehicles and helicopters to operate in the rugged terrain along the Nigeria-Cameroon border. All these are true, but the affliction runs deeper.

Corruption in procurement and administration, poor maintenance of acquired assets, human rights violations that alienate local support, low morale among troops demoralized by inadequate support and heavy casualties and sabotage by Boko Haram sympathizers have all undercut the military's ability. Internal discontents have spiraled into mutinies. Sixty-six soldiers have been sentenced to death for mutiny and

refusing orders to fight since September 2014. The desertion rate is high. Finally, Nigeria's counter-insurgency strategy has been hobbled by regional mistrust and frequent disagreements. A multinational force agreed upon by Nigeria and its neighbors exists only on paper. Nigeria continues to insist on a force "under the auspices of the Lake Chad Basin Commission, while neighboring countries prefer a force authorized by the United Nations or African Union. These disconnects need to be resolved immediately. In view of the foregoing, we accept our hypothesis that the Nigerian State seems not to have responded to the Boko Haram insurgency with a view to restoring confidence in her economic relations with other countries.

#### SUMMARY, CONCLUSION AND RECOMMENDATIONS

In this study, we have done "*An Appraisal of the Implications of Boko Haram Insurgency on Nigeria's International Economic Relations, 2008-2014*". The study is comprised of five sections. The first section is the introduction, which began with creating a background to the study. This was followed with the statement of the problem. The study also posed some research questions as well as outlining the objectives of the study. The significance of the study was examined from both theoretical and empirical angles. This section also looked at the scope and limitations of the study and ended with the definition of key terms. Section 2 of the study was devoted to literature review, theoretical framework and its applicability as well as the postulation of testable hypotheses. The review was done under three key thematic

areas involving the conceptual, theoretical and empirical sub-themes. The study adopted the systems theory as developed by Von Bertalanffy and went further to give reasons why the framework was applicable to the study at the end of which the hypothesis was postulated. The research methodology and design was dwelt on in Section three of the study. Section 4 dwelt on discussion, findings and test of the hypothesis. In- the discussion, the study traced the relationship between Boko Haram and Nigeria's external economic relations and concluded that Boko Haram activities have adversely affected Nigeria's external economic relations for the reasons adduced in the study. It was based on this discussion that the findings were outlined and the hypothesis validated.

#### CONCLUSION

Productive and sustainable economic relations by Nigeria with other countries can only be achieved in an environment of peace and security. Where there is insecurity and threat to peace, economic relations cannot be achieved. Boko Haram, therefore, represents a huge source of insecurity in Nigeria and is thus inimical to sustainable economic relations with other countries. It is quite evident that Nigeria has been confronted with

enormous developmental challenges since her independence and terrorism will only worsen the situation the more. Boko Haram believes that politics in Nigeria, especially northern Nigeria, has been hijacked by a group of corrupt and false Muslims; and also that Western civilization has bred corruption in the Nigerian system. They are therefore waging war against Western civilization in all its ramifications in the country. Their

vision and mission is to establish a theocratic state anchored on Shari'a law. In pursuit of this objective, Boko Haram has turned Nigeria into a theatre of war and bloodshed. They have done this through incessant and sustained bombing of public places, such as schools, shopping malls and churches as well as massive destruction of lives. In all this, Nigeria's external economic relation has

suffered the most as prospective investors have been scared away with businesses closing and relocating to safer places in other countries especially in the West African sub-region. Boko Haram terrorism has, therefore, created palpable fear and grave sense of insecurity in the country and undermined the country's external economic relations.

#### RECOMMENDATIONS

Having come this far, we hereby suggest the following recommendations:

a) *Empowerment and motivation of security agencies:* One of the major reasons why it appears that Boko Haram is difficult to contain is the poor motivation by government of the security agencies. Security reports indicate that Boko Haram is well-armed with sophisticated weapons and reasonably funded by allied terrorist networks from the Middle East. The Nigerian government should therefore ensure that national security agencies and personnel are adequately empowered, motivated and mobilized to combat criminality and insecurity to the barest minimum. This can be done by an upward review of salaries and welfare packages of security personnel.

b) *Intelligence Gathering:* Intelligence gathering by the security agencies should be intensified, as this will nip many of the security problems confronting the nation in the bud. Also, border patrol should be enhanced and there should be a proper and efficient regulation of the influx of immigrants or aliens, in order to forestall their recruitment into the criminal gangs

c) *Enactment of effective Legislation:* The National Assembly should strive to make effective legislation that will adequately punish offenders and deter potential terrorists and criminal. Even though the National Assembly has passed into law the "Terrorism Prevention Act of 2012" authorizing the death penalty for anyone convicted of acts of terrorism, nobody has been tried under the Act despite the many suspected Boko Haram members arrested by security forces in the country.

d) *Creation of Employment Opportunities:* One of the mantras of Boko Haram is that the government is corrupt and is the reason for massive unemployment in the country. Boko Haram has latched on this to recruit members. Government should therefore initiate strategies to create employment in order to reduce the recruitment threshold of Boko Haram. Government should also fight corruption and be sincere about its commitment to stem the tide of corruption.

e) The northern governors should also be proactive and cooperate with the federal government in removing almajiris from the street rather than trading blames and seeking to score cheap political points out of a common problem.

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