

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background to the study**

For most people, the history of Nigeria is that of violent conflicts, chaos, disorderliness, and retrogression. Some people have become inured to the ugly and obscene pictures of the maimed, charred human bodies, and the wanton destruction of properties as a result of some of the violence, reminiscent of the Nigeria civil war. It is possible for anyone to develop insomnia over these horrible violent incidents that have occurred over some decades. Many people cannot live down the orgy of violence resulting to the carnage and horror.

The overall consequence is that the collective psyche of the people has been affected. Terrorism though not new in Nigeria's history, has become the popular vehicle for instilling fear and conducting violence against the citizens in the country. In recent times, Nigeria is experiencing a new wave of violence which is terrorism, conducted in different forms, means and places. These include bombing and killing of persons and targeting certain persons and places such as worshipping centres, living homes, commercial buildings, telecommunication masts, government installations, infrastructure and kidnapping, as well as depriving people of their legitimate entitlements. These terrorist activities are carried out by non-state actors and do not exclude politicians and government functionaries including security agencies that ought to protect lives and properties.

Since its terror campaign began, Boko Haram's targets had been security formations and churches in several parts of the country. Now, they have also turned their radar to other institutions like, the media and Universities. From being an obscure movement confined to north-eastern Nigeria, Boko Haram has emerged as the most palpable threat to the polity's continued peace and development. Not only have the persistent attacks of the sect created widespread insecurity and fear, the prevalent dread of the militant sect has also stifled normal processes of trade and investments as well as the performance of routine security functions.

The recent and incessant terrorist attacks and the precarious state of insecurity in the country especially in the North is as a result of youth unemployment. This makes it easy for them to be manipulated by some self centred, perverted and corrupt elite who deceive the vulnerable youths by telling them that western education would make their children become spoilt, arrogant and unable to live in rural areas with their parents; that they will eventually forget their culture, values and traditions. Already most of them that travelled to cities such as Kano, Lagos, Calabar, Port Harcourt and Abuja find life in their villages unappealing and unexciting when they visit or return home. In addition, more than 80% of the unregulated production and uncared children have led to the pervasive development of over 10 million Almajiris (underage beggars) roaming the streets, begging, rather than being in school (UNICEF 2008).

At the end they undergo economic frustration because they are unable to be gainfully engaged in productive process in the nearest future, hence no opportunity of acquiring skills that can guarantee them employment. A recent assessment by United Nations Children's Education Fund (UNICEF) statiscally showed that about 9.5 million children are out of school and about nine million of them are from the north (UNICEF 2008). This is so, despite the vast agricultural potentials of the region as varieties of tropical food and cash crops are produced in large quantities. The region also has a lot of mineral deposits which can be mined in commercial quantities (Akevi, 2013).

The development, untoward social behaviour has been a creation of the leaders in the north which include traditional, religious and political leaders. The overall consequences are that, since most of them have been negatively employed to wreck havoc against the society, the once bubbling commercial cities, serene and peaceful towns with a perfect blend of modern and traditional exotic cultural heritages have turned into fearful ghost towns. It is almost impossible to assess the painful feelings, quantify the number of invaluable deaths (because some are not recorded)

and evaluate the cost of public infrastructure and personal properties destroyed by the terrorists. Another implication is the introduction of disorderliness, lawlessness and insecurity in the affected areas. Small pockets of criminals have taken the advantage of the situation to perpetuate other forms of crimes such as armed banditry, kidnapping, assassination and looting of properties. There have also been cases of human rights abuses by the criminals and the security agencies assigned to maintain law and order in the affected areas. These terrorists and the security forces have inflicted irreparable loss on people and their families, coloured the streets with blood, and darkened the clouds with the smoke of uncertainty and now people live in absolute fear. While majority of the people see the terrorists as evil persons they do not see themselves as such. They believe that they are legitimate combatants fighting for what they believe in by whatever means possible. They see themselves as freedom fighters and not criminals or rebels as seen by their victims or others. The activities of the terrorists over the past years have posed a serious security and developmental challenges and have threatened the foundation of unity of the country. Let us now turn to its impact on Foreign Direct Investment.

The potential contribution of Foreign Direct Investment (FDI) to Nigeria's economic development cannot be overemphasized. It assumed prime importance in the wake of declining concessional aids, which have created a preference for long-term and more stable financial inflows. The lessons from the experience with the Asian financial crises also pushed FDI into position as a sustainable and more credible alternative. In addition to providing capital inflows, FDI can also potentially boost the growth of a country by "crowding in" other investments with an overall increase in total investment, as well as, hopefully, creating positive "spillover effects" from the transfer of technology, knowledge and skills to domestic firms. It can also stimulate economic growth by spurring competition, innovation and improvements to a country's export performance. The indirect impacts of FDI on the domestic economy are the main reason for the intense political focus on FDI in most countries, which have led to unprecedented levels of

public subsidies, diplomatic efforts and promotional activities to attract investors (Mabey & McNally, 1998). African countries have made considerable efforts over the past decade to improve their investment climate. Renewed confidence in the positive benefits of FDI has led many countries that were restricting FDI from the 1960s to 1980s to be more open towards FDI in the 1990s and beyond. Governments are liberalizing FDI regimes as they associate FDI with positive effects for economic development and poverty reduction in their countries (Lall, 2000; Borensztein 1998). More importantly, the economic performance of the region has substantially improved since the mid 1990s with the adoption of economic reform such as (structural adjustment) programmes that hinged on pushing down exchange rates, inflation and government spending. But the expected surge of FDI into Africa as a whole has not occurred and foreign investment are still significantly less than foreign aids. It remains concentrated in only a few countries. The number of foreign enterprises involved in Sub-Saharan Africa fell, owing to the testing business environment and problems such as poor infrastructure, corruption and foreign exchange shortages and other socio-political crises.

The Nigerian contemporary socio-political system is facing crisis of unprecedented proportions made manifest in numerous ethnic inspired, rebel inspired, politically motivated, dehumanizing bloody violence, series of bomb attacks unleashed by the Boko Haram sect and other unrelenting sporadic dissident attacks at different times and in various states across the nation. The plural nature of the Nigerian state has engendered socio-political crisis, particularly from the post-colonial to the contemporary times. Efforts to diffuse the centrifugal tendencies tearing the polity apart have proved abortive as a result of the character of the political class. Historically, the political class who have been alienated from the means of production by the colonial administration, struggles to capture state power by all means necessary resulting in socio-political crisis which has led to election irregularities, leaving in its trail disgruntled political opponents and gullible

electorate whose last resort to register their grievances is through the destruction of lives and properties.

Over the years, ethnic, religious, communal, social and political conflicts have been threatening the fragile unity of the Nigerian nation. This problem has been exacerbated by the win-at-all-cost attitude of some Nigerian politicians. To worsen the matter, terrorist dimensions of violence as perpetrated by Boko Haram have now entered the Nigerian social history and political diary, with bombings and news of bombings being heard everyday (Amadi, 2011; Njoku, 2011; Osai, 2011). All these social problems pose great hindrances to the country's attraction of Foreign Direct Investment.

Boko Haram, a group campaigning for the imposition of Sharia law on some states of the Nigerian federation, blames western education, unemployment and political injustices as being behind their actions. After the 2011 general elections, arson, wanton destruction of lives and property have been unleashed sporadically on the police, public, churches, innocent people and even the international community which the United Nation's building bombing in Abuja typifies and more recently the kidnap of over 260 school girl .

Conversely, on the Niger Delta crisis, Okonta and Douglas (2001) observed that it started due to tensions between the foreign oil corporations and some Niger-Delta minority ethnic groups who felt they were unjustly exploited, because despite the vast wealth from petroleum, the benefits have been slow to trickle down to the majority of the population, whose agricultural lands and aquatic culture have been largely destroyed by oil spillages and environmental pollutions. However, Emeagwali (2000) argues the roots of the present crisis stems from a lack of understanding of the Nigerian constitution and the peoples' poor appreciation of nationhood enshrined in the constitution. Hence, ethnic cleavages take precedence over the spirit of nationhood. He argues that the motive of terrorist activities of Movement for the Emancipation of the Niger Delta (MEND )and other Niger-Delta

militants were more economical than political when contrasted with the activities of the Boko Haram sect. At the most proximate and least disputable level, Boko Haram terrorism is the most fundamental source of insecurity in Nigeria today, and its primary bases and sources of support have generally been located in religious fanaticism and intolerance particularly in Islam dominated states of Nigeria. Terrorism which is a global phenomenon where no one is safe was 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”.

Terrorism in Nigeria is an Islamic insurgence with a political undertone by a faceless group based in the Northern region of the country, which called itself Boko Haram, Nigeria has lost up to 17,000 lives in the North since 2009 to the insurgency of this infamous Islamic sect, Boko Haram. Many theories have explained the terrorism challenge in Nigeria both in terms of personal motives of the terrorists, the underlying causes of terrorism, and the values of the communities that host the terrorists and sustain them. Many theories commonly link terrorism in Nigeria to religious, socio-political, economic and cultural parameters. Impliedly, while terrorism may originate in Islamic fanaticism, it is now driven as much by other factors such as inequalities within the country and lack among Nigerians, in terms of livelihood (economic) resources, education or access to education and good values.

Nigeria in recent times has witnessed an unprecedented level of insecurity. This has made national security threat to be a major issue for the government and has prompted huge allocation of the national budget to security. In order to ameliorate the incidence of crime, the federal government has embarked on criminalization of terrorism by passing the Anti-Terrorism Act in 2011, installation of Computer-based Closed Circuit Television cameras (CCTV) in some parts of the country,

enhancement of surveillance as well as investigation of criminal related offences, heightening of physical security measures around the country aimed at deterring or disrupting potential attacks, strengthening of security agencies through the provision of security facilities and the development and broadcast of security tips in mass media (Azazi, 2011). Despite these efforts, the level of insecurity in the country is still high. In addition, Nigeria has consistently ranked low in the Global Peace Index (GPI, 2012), signifying a worsened state of insecurity in the country.

Hence, Adagba, et al (2012), Uhunmwangho and Aluforo (2011) are of the view that the efforts of government have not yielded enough positive result. With the lingering security challenges and the inability of the security apparatus of the government to guarantee safety and security in the country, the question that borders everyone in Nigeria today is that “can there be security?” Is the security of lives and properties achievable? Apparently, the security situation in Nigeria appears or at least have remained insurmountable and many people have argued that government at all levels have not done enough by not confronting the situation head on and dealing with it decisively, others have argued that the situation has a political undertone or inclination calculated to serve the interest of certain political gods, who have been dissatisfied and disgruntled about the political manifestations in the country. Like in many other societies, the sources of insecurity in Nigeria have been traced to a number of factors and explained by different people. These factors have been classified or grouped into external and internal factors. Beyond the external-internal dichotomy, sources of insecurity have also been classified as either remote or proximate and immediate sources/causal factors. In Nigeria, the challenge is not so much about insecurity of external sources, but rather that of internal sources.

Hence, our focus in this research is to demonstrate that the crisis of Foreign Direct Investment in Nigeria today is not unconnected with the contemporary socio-political milieu of the country today defined and perpetrated by Boko Haram

terrorist activities which has marred security and has hampered the free flow of FDI into Nigeria.

## **1.2 Statement of the Problem**

The frequency and momentum of bombings, killings, kidnappings and destruction of property by aggrieved groups in Nigeria tend to scare away foreigners in the country and discourage their partners from coming into the country to invest. Hence, valuable jobs are being lost by the citizens. For instance, in the wake of the bombing of the United Nation's building in Abuja by Boko Haram in 2010, the staff of the organization relocated to another country, despite assurances to Nigerians that they would not do so. In the manufacturing sub-sector, reports have it that foreigners are shutting down their factories and relocating to Ghana, South Africa and other African countries.

The country's security system has been over-stretched by the problem. How have these problems affected Foreign Direct Investment inflow and outflow in the country? One of the challenges governments across the world have been tackling since year 2000 has been the rise in the activities of Islamic extremist groups. Nigeria, a nation that has a relative population of Christians and Muslims, is experiencing a serious time of turbulence and tension orchestrated by an Islamic extremist group called Boko Haram, which has as its mission and agenda 'The Eradication of Western Ideology in Nigeria' and the 'Implementation of Sharia Law in the Country'. The Nigerian Government has openly admitted through the immediate past President (GoodLuck Jonathan) that Boko Haram militants have infiltrated the military, police and government circles and that the danger the group has created is worse than what occurred during the 1960s civil war that killed more than a million people. He sacked the Inspector General of Police, National Security Adviser and the Defence Minister for not doing enough to tackle the Boko Haram problem. Boko Haram Terrorism has had a negative impact on the people regardless of status and the society at large. It has disrupted the normal social life and a good number of innocent lives have been lost. Terrorists' activities have



dislocated people from their residence to different unintended locations. The mass movement of people creates refugee problems with substantial costs to the individual, host communities and the government. In addition, these episodes of violence has hit strongly and disorganised the socio-cultural tranquility, the fragile religious tolerance among the people, polluted the serene and spiritual base of the society. The human costs in terms of lives and properties can hardly be valued and quantified since the upsurge of the violence began. Since the rise of Boko Haram, the Islamic sect is spreading terror in the last 12years, spreading clouds of fear across the country, and especially in many parts of the north where law and order has collapsed, different murderous gangs roam the nooks and crannies of the cities, streets and villages day and night exploding bombs, shooting and killing innocent people. They set homes and business premises on fire, destroying places of worship, and attacking security agents and institutions. The process has promoted anarchy by causing confusion and widespread panic among people in Nigeria. The civil rights of individuals and even their more basic civil liberties as guaranteed by the Constitution have been jeopardised. While the Islamic sects unleash terror on the people, the activities of the security agents have become deplorable as well, hence the abuses of people's liberty have become the order of the day. They have deployed an unconventional and extra-judicial method of shoot at sight which is usually adopted by the government to tackle widespread public disturbances and terrible crimes. The security agents stop people at will, restrict people's movement by the day and especially at night and kill anyone at the least suspicion. The sects' activities have spread fear across the length and breadth of not only northern Nigeria but the entire country especially among the political elites. Given the ethnic sensitivity of the country, it has pushed further its political polarisation and raised the existing suspicion and distrust especially between the north and south. Extreme violence repels rather than attracts business investors as in the case of the activities of Boko Haram. When human, material and financial resources are channeled into the advancement of sectarian ideology, economic development is

retarded. The violence inflicted in northern Nigeria has affected business and economic activities have slowed down.

And whereas the Al-Qaeda, the Taliban as well as Al-Shabab had received and continued to receive scholarly attention, the Boko Haram is only beginning to receive some attention in historical scholarship. Even when the activities of the Boko Haram group appear to be getting scholarly attention, most of the literatures dwell on themes that treat the social and political implications of the activities of the sect. There are some which consider the economic implications of Boko Haram terrorism. However, most of the extant studies dwell extensively on the moral and religious dimensions of the phenomenon and some equally argue that, granted the country at the moment is passing through security challenges it has not affected the flow of Foreign Direct Investment. Arguing that the country over the years and more recently has witnessed an upsurge of Foreign Direct Investment into the country. More so studies dwell more on the macro economic determinants of the decline of FDI with few attention to the sociopolitical dimension to it. This study therefore, proposes to highlight the extent to which Boko Haram terrorism in Nigeria has led to decline in Foreign Direct Investment.

### **1.3 Research Questions.**

- What is the nature and character of terrorism in Nigeria?
- To what extent has terrorism as perpetrated by Boko Haram in Nigeria negatively affected the flow of Foreign Direct Investment?
- How has government responded to curbing the activities of Boko Haram as a terrorist group in Nigeria?
- What are the possible solutions to the dimension of terrorism in Nigeria vis-à-vis the flow of Foreign Direct Investment.

## **1.4 Objectives**

Overall purpose of the study is to evaluate the impact of terrorism as perpetrated by Boko Haram crisis on FDI flow in Nigeria and the over all effect on socio-economic development of Nigeria. The specific objectives include :

- to identify the nature and character of terrorism as presented by Boko Haram in Nigeria today,
- to determine the effects of terrorism on Foreign Direct Investment inflow/outflow from Nigeria,
- to ascertain the level of government's response in curbing the activities of Boko Haram in Nigeria,
- to suggest and recommend possible remedies for minimizing drastically the corrosive effect of these crises as it affects foreign direct inflow into Nigeria.

## **1.5 Significance of the Study**

The Study is theoretically and practically relevant. Theoretically the study helped bridge the gap in knowledge with regard to the impact of terrorism on Foreign Direct Investment in Nigeria, particularly Boko Haram Terrorism. Equally significant, it helped widen the scope of our understanding as regards the determinants of Foreign Direct Investment. The study also assisted in adding to the current body of knowledge that existed on the decline of Foreign Direct Investment in Nigeria which concentrated more on macro economic indicators with scant to socio-political factor like Boko Haram Terrorism. It provided findings regarding the relationship between the two variables studied.

Practically, It is hoped that the critical study and findings arising from the analysis of this dissertation coupled with the solutions and recommendations arising from the problems posed from the research, should provide information that will enable the present administration initiate remedial action to address some of the remote

and immediate cause of these crises which have affected the Nigerian state drastically and impeded the flow of Foreign Direct Investment in Nigeria.

### **1.6 Scope / Limitations**

Terrorism and Decline in Foreign Direct Investment is a vast area of lively research. In this research we critically looked at how terrorism as a socio-political crisis aggravates the state of insecurity in the country which invariably impede the flow of Foreign Direct Investment. With special emphasis on the activities of the Boko Haram terrorist group. To this end, we took into cognizance the determinants of FDI and how the consequences of this social crisis affect Foreign Direct Investment.

We choose Nigeria, because overtime and even more recently the country has been witnessing series of social disorders which had led to heightened insecurity, threatening the unity of the country and affecting adversely socio-economic activities in different parts of the country. We equally choose 2002 to 2015 as activities of the group started manifesting around that time. The sector of the economy which we investigated is the private sector. The research interest was restricted to four investment sectors, results from similar investigation from other sectors may not confirm the present findings.

The sampling technique adopted reduced the number of investment sectors, as a result generalizations of findings and result of the study should be taken with caution in line with the limitations. In the course of this research, other limitations in the course of the study were equally encountered, ranging from close system constraint to financial incapacitation. Some Transnational corporation like oil companies Multilateral Guarantee Agencies etc , operates close system and are very reluctant and less eager to give out information concerning their activities.

### **1.7 Operationalization of Concepts**

For the sake of clarity and comprehension, certain terms used in the course of this study should be briefly explained in the context they are used herein.

### **A. Foreign Direct Investment:**

For us to understand the decline in Foreign Direct Investment in Nigeria, this research looked at Foreign Direct Investment from the perspective of capital importation into Nigeria. The capital importation by investment type, capital importation by business type and capital importation by state of destination. The rate at which it declined and the percentage reduction was considered.

### **B. Terrorism:**

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.

### **C. Boko Haram.**

The Boko Haram sect is a terrorist group that has shown itself to be a radical Islamic fundamentalist organisation that seems to hate the West and everything Western. Boko Haram translates to "western education is a sin" and its members follow a strict interpretation of the Koran. Unleashing complete mayhem leaving in its trail wanton destruction of lives and properties.

### **Acronyms Used.**

<b>FDI</b>	-	Foreign Direct Investment
<b>FOE</b>	-	Foreign Owned Enterprises.
<b>SSA</b>	-	Sub Saharan Africa
<b>ODA</b>	-	Official Development Assistance
<b>FOE</b>	-	Foreign Owned Enterprises.
<b>ODA</b>	-	Official Development Assistance
<b>MIGA</b>	-	Multilateral Investment Guarantee Agency.
<b>ICC</b>	-	International Chamber of Commerce,
<b>GoN</b>	-	Government of Nigeria
<b>USG</b>	-	United States Government.

**IED** - Improvised Explosive Device.

**AQIM** - Al-Qaeda In Islamic Magreb.

**MEND** - Movement for the Emancipation of the Niger Delta

**WMD** - Weapons of Mass Destruction

**IYC** - Ijaw Youth Council.

**INYM** - Isoko National Youth Movement

**NDL** - Niger Delta Liberation Force

**NDV** - Niger Delta Vigilante

**UNCTAD** - United Nations Conference on Trade and Development

**NDVF** - Niger Delta Volunteer Force

**BH** - Boko Haram

**MOSOSP** - Movement For The Survival of Ogoni People

**OPC** - O'dua Peoples Congress

**MASSOB**- Movement For The Actualization Of Sovereign State Of Biafra

**APC** - Arewa Peoples Congress

**SGPC** - Salafist Group for Preaching and Combat

**HDI** - Human Development Index

**IFAD** - International Fund For Agricultural Development

**PDP** - Peoples Democratic Party

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **An Overview of the Literature Reviewed:**

Literature review has to do with what other scholars and authors have contributed to this study so far. A look at some of the literature on Terrorism and Foreign Direct Investment would be germane.

#### **2.1 Review on Terrorism**

##### **The Concept of Terrorism**

A lot of the theoretical works on terrorism revolve around definitions.—Terrorism is the premeditated use or threat of use of extra normal violence or brutality by sub national groups to obtain a political, religious, or ideological objective through intimidation of a huge audience, usually not directly involved with the policy making that the terrorists seek to influence. (Enders2002). The U.S. Department of State defines terrorism as politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents, usually intended to influence an audience (Ruby 2002). This is similar to Chomsky (2001) definition: Terrorism is the use of coercive means aimed at populations in an effort to achieve political, religious, or other aims.

Tilly (2004) argues that terrorism is asymmetrical deployment of threats and violence against enemies using means that fall outside the forms of political struggle routinely operating within some current regime. Stern (1999) defines terrorism as an act or threat of violence against non-combatants, with the objective of intimidating or otherwise influencing an audience or audiences. Peter Chalk offers a definition similar to the ones above when he conceptualizes terrorism as the systematic use of illegitimate violence that is employed by sub-state actors as

means of achieving specific political objectives, these goals differing according to the group concerned (Chalk 1999).

Notice that most of these definitions with the exception of Chomsky and the United State Department of state point to some ineffable extra normal, brutal and extraordinary aspect of terrorist violence, which is designed to mostly intimidate civilian audiences. Surely the term extra normal cannot in this context be used to imply that terrorists are more violent than state armies. As has been demonstrated in various historical studies e.g. (Oliverio 1998), not only have state-affiliated agents been responsible for the bulk of civilian deaths not caused by famine, disease or natural disasters throughout history, but modern terrorism itself began as a military tactic designed to subdue the enemy during warfare. It was used to great effect during the Northern incursion into the South in the American Civil War as noted by Carr (2001), even if the name comes from the French state persecution of civilians after the revolution of 1789. It is in this sense that terrorism is one of the oldest techniques of psychological warfare (Wilkinson 1977). More so, Oddih (2014) posits that terrorism may be an act of armed robbery arising from frustration, unemployment or economic hardship. It might equally be an act of retaliation for unsettled wrong done to someone or a group of people for which revenge is deemed rational. Thus it may not necessarily be politically or economically motivated.

Thus, terrorist activities cannot be characterized and differentiated. Therefore terrorism as a form of political violence cannot be defined by pointing to their specific viciousness and/or brutality, since these have been exceeded during the course of more legitimate forms of warfare, as in the allied bombings of Dresden (Graham 2004). In this respect, it is important to separate terror as a psychological state of affairs (or as a goal of a particular violence producing organization) from terrorism as a specific form of politico-military interaction between two actors (O'Sullivan 1986). More so, O'Sullivan's (1986), affirms that terrorists resort to



methods which...subvert or ignore the requirements of domestic and international law. This is consistent with an understanding of institutions as rules that assign cognitively constituted actors to certain types of actions and preclude certain actors from engaging in certain types of actions (March and Olsen 1989). However, socially agreed upon definitions of legality evolve and vary through time and space which would make a definition which focused on the legality of the type of violence subject to the charge of nominalism and historical relativism. The term - terrorism refers to the systematic use of threat of violence to communicate political message rather than defeat an opponent, or military force. Thus, the targets of terrorism are symbolic and the victims of terrorism represent a wider audience. To achieve a maximum shock, effective terrorist violence is usually dramatic and provocative.

Typically, small number of extremists who otherwise lack the capacity to challenge those in power resort to terrorism. A defining characteristic of terrorism is that its users expect rewards that are proportionate to both the resources they possess and the risk they assume. Terrorism is furthermore strategies that are not restricted to any particular ideology (Smlter and Beltes, 2001). According to Reich (1998), as a strategy of resistance to the modern state, terrorism emerged some half century after the French revolution, when the term originated as a description of the state regime of terror. Russian revolutionaries and anarchists in France, Spain, Italy and Germany established terrorism as a central mechanism in attempt to overthrow the established regimes, most of which were autocratic.

In the submission of Iain Mclean (1996), terrorism as a pejorative term, also applies to the deeds of government of sovereign state. According to him, the term —state sponsored terrorism, is often used to describe the conduct of various government indirectly organizing or indirectly assisting perpetration of violent acts in other states. He argued that in

recent time, many countries of divergent ideological persuasion have engaged in this kind of activities.

Meanwhile, terrorism is a contested concept that resists precise definition. Since the term is both elastic and emotionally powerful, it lends itself to subjective interpretation driven by political rather than analytical purposes. It is also difficult to distinguish terrorism from other forms of violence. For example, guerilla warfare or criminal activities, if terrorism is defined in terms of the intentions behind the action, is it possible to know those intentions and the relationship between religion and terrorism?. If so, are attacks on security target act of terrorism? Though, there is no official definition of terrorism agreed on throughout the world, and definitions tend to rely heavily on who is doing the definition and for what purpose. Some definitions focus on terrorist tactics to define the term, while others focus on the actor. Ethnic separatist and violence in the 1930's provoked the League of Nations formed after world war 1 to encourage world stability and peace to define terrorism for the first time as:

All criminal acts directed against a state and intended or calculated to create a state of terror in the mind of particular persons or group of persons or the general public. (League of Nation convection definition of terrorism, 1937).

According to Claver (2002), he stated that terrorism is the use of force to impact fear with a view to bring about political, economic or social change. Recently, terrorism has been endemic in all parts of the countries in the world. Claver went on to explain that: It is true, as is often said that one man's terrorist is another man's freedom fighter.

This can be deduced from the activities of the Boko Haram insurgence in Nigeria which has been destabilizing socio-economic activities in the northern part of the country without actually making meaningful demands to their course. Different definitions have been given by different people, scholars and even organisations based on the way they perceived or experienced terrorism. For instance, the US

Department of Defence defined it as the calculated use of unlawful violence or threat of unlawful violence to inculcate fear intended to coerce or to intimidate either citizens, societies, or even the government in the pursuit of goals that are generally political, religious or ideological. The Federal Bureau of Investigation (FBI) defined terrorism as the unlawful use of force and violence against persons or property to intimidate or coerce a government, the civilian population of any segment thereof, in furtherance of political or social objectives. The US Department of State defined it in Title 22 of the United States Federal Code to be a premeditated politically motivated violence perpetrated against non-combatant targets by sub-national groups or clandestine agents usually intended to influence an audience. (Encarta 2009)

United Nations( 1992) defined terrorism as anxiety-inspiring methods of repeated violent action employed by (semi) clandestine individual, group or state actors, for idiosyncratic, criminal, or political reasons, and where-in contrast to assassination where the direct targets of the violence are not the main target. The United Kingdom (UK) in 1974 defined terrorism as the use of violence for political ends and includes any use of violence for the purpose of putting the public, or any section of the public in fear. Adeyemo (2012) opined that the situation can be likened to genocide and defined it as the deliberate and systematic destruction in whole or in part, of an ethnic, racial, religious or national group.

Arvind (2009) opined that terrorism may range from socio-economic and political theories based on the personality and environment. It could be motivated from inner drives to revenge or for financial gains. It also could be from fundamentalism to deprivation, political frustration, religious disparities, and resentment against the existing regime, or intervention into personal freedom, oppression, and inequality as well as weak government. The essential elements of terrorism from the foregoing definitions involves the calculated (intentional) use of unlawful violence to put or produce fear in the public and these acts could be committed by a person,

group, and does not exclude the state. It is an adversary acts that influences an audience beyond the immediate victim. The reason and strategy of the terrorists is to draw attention from the populace, organisation and states either local or international. They want to obtain the greatest publicity, and most times choose targets that symbolise what they opposed. Sometimes the confusion and difficulties in defining terrorism by some persons is because of the assumption that terrorist activities are conducted only by dissidents, rebels or fanatical groups who are dissatisfied with government policies and programmes and are in contestation with the state for power or to impose their own ideological belief thereby overlooking the fact that the state could equally be involved in terrorist activities against its own citizens either directly or through unpopular policies.

Terrorism is a psychological weapon hidden behind an ideological objective either political, economical, or religious demands such as that made by Boko Haram that wants to impose and practice Islamic law in northern Nigeria. It could also be the type conducted by the Movement for the Emancipation of the Niger Delta (MEND) whose activities were aimed at preventing the exploitation and degradation of their land and environment and to have a fair share in the oil revenues. It could also be the (negative) attitudinal conduct carried out by government agents or senior officials to deprive the subordinates of their legitimate rights to gain advantage. Terrorism is by nature political because it involves the acquisition and use of power to advance own interests by forcing others to submit, or agree, to certain demands.

There is general disagreement among scholars as to the concept of terrorism. It has been viewed that terrorism is value laden and subjectively defined in line with the ideological school of the individual defining it. Thus, terrorism both as practiced and justified by terrorist themselves, is a tool used to achieve a specific outcome by using force or violence on one segment of society with the primary goal of causing fear in the larger society to make change in that society (Garrison, 2004).

Terrorism is a term used to describe violence or other harmful acts. Walter Laqueur counted over 100 definitions of terrorism and concludes that the only characteristics generally agreed upon are that terrorism involves, violence and the threat of violence (Laqueur, 2003). As a form of unconventional warfare, terrorism is sometimes used when attempting to force socio-political change by convincing a government or population to agree to demands to avoid future harm or fear of harm, destabilization of existing government, motivating a discontented population to join a mutiny, escalating a conflict in the hope of upsetting the status quo, expressing an injustice, or drawing attention to a cause. For instance, the crisis in the Niger Delta Zone of Nigeria, where the Movement for the Emancipation of the Niger Delta (MEND) took up arms against the Federal Government in pursuit of their rights- resource control, marginalization, and lack of infrastructural development in the Zone.

However, in this study terrorism is conceived as an act of psychological warfare driven by fear or panic, intimidation, force or threats of violence on the individual(s) or the general public with the view of compelling a government, an institution or organization or individual to act in ways, ordinarily may not have been acted upon, in order to ensure safety of lives and property or justice, equity and fairness. It also involves the deliberate attacks on civilian population, police, military and other security agencies coupled with massive destruction of government facilities and civil properties like the oil installations, police stations, prisons, churches, mosques, and shops and so on. This definition is based on the fact that, almost all known terrorist acts are caused by human injustice or man's inhumanity to man, marginalization, exploitation, greed, deprivation, poverty, corruption, oppression, and repression.

Wilkinson (2006) suggests that terrorism can be distinguished from other forms of violence in the following ways:

- It is premeditated and designed to create a climate of extreme fear.

- It is directed at a wider target than the immediate victims.
- It is considered by the society in which it occurs as 'extra-normal', that is, it violates the norms regulating disputes, protest and dissent.
- It is used primarily, though not exclusively to influence the political behavior of Governments, communities or specific social groups.

Wilkinson further provides typologies of terrorist movements or groups: Ethno-nationalist groups, that is, those identified by ethnicity and political motivation; Ideological terrorist groups this includes terrorist groups that want to create a state based on an ideology (e.g. A Communist state); the other categories are the religious-Political groups- such as the Boko Haram sect in Nigeria, which aims to create an Islamic republic. Basically, there are about three main trends in modern terrorism. First, it is loosely organised, self-financed and internationalised network of terrorists. Another trend in terrorism is that which is religiously or ideologically-motivated. For instance, radical and fundamentalist group, or groups use religion as platform to pose terrorist threats of varying kinds to many nations' interests (Ojukwu, 2011).

A third trend in modern terrorism is the apparent growth of cross-national links among different terrorist organizations which may involve combinations of military training or funding, technology transfer or political advice. In fact, looming over the entire issue of international terrorism is a trend toward proliferation of Weapons of Mass Destruction (WMD). For instance, the Republic of Iran, seen as the most active state sponsor of terrorism, has been aggressively seeking a nuclear arms capability. Iraq under Saddam Hussein was thought to be stockpiling nuclear weapons chemical and biological. North Korea recently admitted to having a clandestine program for uranium enrichment. Also, there are unconfirmed indications that the Al Qaeda organization attempted to acquire chemical, biological, radiological and nuclear weapons before the death of Osama Bin Laden (Bagaji A.S.Y et al, 2011). Modern terrorism equally has some

dimensions. Prominent among the dimensions of terrorism include, state-bound; non-state terrorism and terrorism across national boundaries. The state-bound terrorism deals with the orchestrated and aided by states. This dimension of terrorism could be in the form of intimidation, selective political assassination, abduction and kidnapping. Examples of this dimension include the ethnic cleansing and genocidal activities the Nazi regime carried out against the Jewish population between 1939 and 1945, and the Stalinist purge of the peasant class of Kulaks in Ukraine that led to the death of millions of civilians carried out by individuals or groups who felt was no longer worth it to accomplish political objectives within the law, a law which to them represented the power of an immoral and or illegitimate regime or government. These individuals are contemptuous of the society's political institutions and practices (Slann, 1998). A good example of non-state dimension of terrorism was the Maitatsine activities in the 1980s as well as the on-going Boko Haram attack in Nigeria. A number of factors were said to be responsible for the non-state terrorism. These include relative deprivation asymmetrical allocation or distribution of public resources, poverty, political frustration and religious intolerance or fanaticism (Adeniran, 1996; Ojukwu, 2011). The third dimension of terrorism is across national boundaries. This dimension has external and international connections. A vivid example of this dimension of terrorism is Al Qaeda whose activities are mostly drawn on external factors (Ojukwu, 2011).

Terrorism is generally defined as politically motivated violence by clandestine groups or individuals against civilians or noncombatant personnel. The United States Department of State has adopted the definition found in Title 22 of the United States Federal Code, which defines terrorism as "premeditated, politically motivated violence perpetrated against noncombatant targets by sub national groups or clandestine agents, usually intended to influence an audience." (Encarta, 2009). Terrorism is by nature political because it involves the acquisition and use of power for the purpose of forcing others to submit, or agree,

to terrorist demands. Legal statutes in most countries around the world regard terrorism as a crime. Yet there is considerable variation in how these laws define terrorism, even in countries whose laws derive from a common origin. In the United Kingdom, for example, legislation titled Terrorist Act 2000 states that terrorism is “the use or threat of action . . . designed to influence the government or to intimidate the public or a section of the public . . .for the purpose of advancing a political, religious or ideological cause.” The legal system and code of law of the United Kingdom has influenced those of the United States, Canada, and Israel. (Encarta, 2009). United States federal statute defines terrorism as “violent acts or acts dangerous to human life that . . . appear to be intended (i) to intimidate or coerce a civilian population; (ii) to influence the policy of a government by intimidation or coercion; or (iii) to affect the conduct of a government by assassination or kidnapping.” This definition appears in United States Code, Title 18, Section 2331 (18 USC 2331). (Encarta, 2009). Canada’s Anti-terrorism Act (Bill C-36) designates “terrorist activity” as “an act or omission . . .that is committed in whole or in part for a political, religious or ideological purpose, objective or cause and in whole or in part with the intention of intimidating the public, or a segment of the public, with regard to its security, including its economic security, or compelling a person, a government or a domestic or an international organization to do or to refrain from doing any act, whether the person, government or organization is inside or outside Canada . . . .” Israeli law does not address terrorism specifically. But in the Prevention of Terrorism Ordinance No. 33, it defines a terrorist organization as “a body of persons resorting in its activities to acts of violence calculated to cause death or injury to a person or to threats of such acts of violence.” (Encarta, 2009).

There is no doubt that terrorism or terrorist acts have increasingly become widespread criminal violence in different countries of the world and each of them has its own unique way of perpetrating the act. While some terrorists take to bombing and hijacking of airlines, some make use of device such as air missiles. In



Nigeria for example, the terrorists settle with hostage taking, abduction, kidnapping and bombings of multinational oil pipelines and churches, wonton destruction of property and so on. Of all these on the part of Nigeria, kidnapping and bombings are the most devastating. It should be emphasized here that terrorism could be domestic and international. For example, if an Israeli insurgent kidnaps and kills an American Ambassador, it is an act of international terrorism. At the same time, if the attack is targeted at Israeli government officials, it is domestic terrorism. Also, if an Israeli bombs an Israeli Embassy in any country outside Israel, it is domestic terrorism. Therefore, the kidnapping of government officials and other Nigerians, bombing of oil companies, pipeline vandalization by the militants in the Niger Delta region and the recent bombings in the Northern part of Nigeria by Boko Haram is a domestic terrorism.

With the return to civil rule in 1999, Nigeria has been confronted with series of security challenges which cut across virtually all the six geo-political zones. The act of terrorism in the country was mainly carried out by the militant in the Niger Delta area and the Boko Haram in the Northern part. For example, before 1998, the Niger Delta people have adopted series of strategies as a means of getting themselves out of socio-political marginalization, lack of infrastructural facilities, environmental degradation, and lack of corporate social responsibilities. Among these strategies are, petition, litigation, protest, violence and mass mobilization.

The last phase of Niger Delta agitation which began in 1998 to the present was marked with the emergence of terror strategies which include, outright confrontation, violent pipeline vandalisation, bombing of oil installation, armed resistance against the agents of the Nigerian state and the transnational oil companies operating in the region, kidnapping and hostage taking. (Ogbogbo, 2004). The adoption of this act of terrorism in the region was necessitated by the emergence of various youth militias. Among the prominent militias in the region are, the Ijaw Youth Council (IYC), the Egbesu Boys, the Niger Delta Peoples

Volunteer Force led by Alhaji Asari Dokubo, the Isoko National Youth Movement (INYM), the Movement for the Emancipation of the Niger Delta (MEND) led by Henry Okah, Niger Delta Vigilante (NDV) led by Ateke Tom, Niger Delta Liberation Force (NDLF) among others. The activities of the Youth restiveness in the Niger Delta area against the Nigerian state on one hand and the transnational oil companies operating in the region on the other hand have constitute a major threat to national security. In fact, before the adoption of Amnesty Programme by the late President, Alhaji Umaru Musa Yar,Adua in 2010, as a positive measure to put an end to domestic terrorism in the region, the region has remained the most dangerous zone to live in the country (Adesote,2010).

It should be reiterated that before the adoption of Amnesty Programme, various successive governments have responded in one way or the other toward finding solutions to the problems of the people of the region. Some of their positive responses include, increase in revenue sharing, establishment of special commissions and agencies such as Oil Mineral Areas Development Commission, Niger Delta Development Commission and the Ministry of Niger Delta Affairs (also set up by Late Alhaji Musa Yar,Adua).

The prolonged agitations in the Niger Delta region since 1960 up till 1998 was as a result of the repressive approach being adopted by various successive governments against the people. This same approach was equally adopted when the country returned to civil rule in 1999. Thus, the adoption of the act of terrorism in the region especially since 1999 up till 2010 forced the Nigerian state to change her tactics by withdrawing the stick and offering the carrot in form of amnesty. One can therefore conclude that to certain extent, Amnesty Programme remained the most effective approach of the Nigerian state toward ending domestic terrorism in the Niger Delta region of Nigeria (Abimbola & Adesote, 2011).

Dempsey ( 2006) posit that ‘terrorism’ is a failure of political process that begins with in-equalities, corruption and injustice in a given political system, and moves

from a frustrated attempts at reform that breed fear and anger, to political confrontation and conspicuously erupting into violence. This can be exploited to rationalize the use of any form of violence against any target. Most scholars of political violence would agree with Cooper (1978) cited in Dempsey (2006) that the term terrorism poses a problem for academics and policymakers alike. As Cooper notes, terrorism scholars have problem with the definition of this phenomenon, specifically it is a difficulty derived from establishing a clear definition of the kind of problem terrorism characterizes.

In other words, political violence represents a social problem, but exactly what that problem is and how to understand it within the confines of sociological theory seemingly escapes the contemporary discussion of terrorism. Cooper's recognition of such analytic confusion rests on several issues on the impact and conceptually and operationally define the problem of political violence. For example, simplistic definitions of terrorism abound in the literature and are used by various scholars and government agencies (Jenkins, 1983; Laqueur, 1987; FBI, 1999) also cited in Dempsey (2006). These definitions are typically theoretical and are often analytically defeated by the variants of violence that have come to be categorized under the umbrella term terrorism and within the globalized social dialogue regarding political resistance and mass violence.

Likewise, many of these simple definitions are politically loaded and reflect the interests and the power of the defining entity that wishes to delegitimize their opponents in the common avenues of the everyday social dialogue of this problem. Alternative definitional perspectives on what constitutes "terrorism" do exist and offer some variation in thought over the simplistic definitions that are commonly used (Hoffman 2002). These alternatives typically focus on one sub variety of terrorism (e.g., state terrorism) and they represent viable criticisms of the power dynamics embedded in the labelling process represented in many of the definitions noted above. Due to their limited applicability and singular focus, these alternative

definitions do not necessarily fully help to cultivate an understanding of the multiplicity of experiences that should be accounted for when discussing a globalized social problem like terrorism. The simple definitions used by government agencies and some academics, represent political choices about what constitutes the relevant issues and what are acceptable questions for study. However, a chosen definition of terrorism used by the U.S. State Department, contained in Title 22 of the United States Code, Section 2656f (d). That statute contains the following definitions: “The term ‘terrorism’ means premeditated, politically motivated violence perpetrated against non-combatant targets by sub-national groups or clandestine agents, usually intended to influence an audience. The term ‘international terrorism’ means terrorism involving citizens or the territory of more than one country. The term "terrorist group" means any group practising, or that has significant subgroups that practice international terrorism”(Dempsey,2006)

The lack of an acceptable definition of terrorism has also created room for different interpretations of the concept at the domestic level where the label of terrorism has been selectively used by political leaders to target their enemies. In this particular case, the definition of domestic terrorism is so broad that it can be used against any protest group whose activities are deemed to be tantamount to intimidating an incumbent government to change or accept a particular policy. In this manner a self-serving anti-terrorism law could be used as a tool for checking the free exercise of the people’s right of dissent or protest.

According to Hoffman (2002) domestic terrorism relates to those acts of terrorism that are carried out by persons or local groups within the state that are meant to redress domestic grievances. This is distinct from international terrorism, which relates to terrorist acts by persons, or groups that are external to the affected state and whose objective is to advance a cause. Freilich (2003) maintains that terrorism in the developing world is caused by resource mobilization theory, and it suggests

that states which are more prosperous and socially integrated but has politically weak institutional framework would tend to develop more domestic terrorist activity, on the basis that group competition for power and resources becomes intense. To justify Freilich's position, most third world countries are endowed with potentials that can turn around their economies fortune for the good of its citizen, yet these countries remain backward due to failure of implementing viable policies and programmes that can ameliorate the plight of their citizen. The common features of third world countries are the prevailing crisis within the political and economic structures after decades of long independence that can be seen as leadership crisis, economic inequality amidst plenty resources, corruption, breakdown of law and the weakness of the public institutions to checkmate and address societal ills.

Drawing from the submissions of scholars on terrorism it could be seen that nature of terrorism generally involves the acquisition and use of power for the purpose of forcing others to submit, or agree, to demands of the terrorists. More often than not political. However, the activities of BokoHaram terrorism in Nigeria today, could be viewed in line of the above definition,

## **2.2 Review On FDI (Foreign Direct Investment)**

Foreign Direct Investment (FDI) from developing countries has risen sharply over the past two decades. This has been noted by several authors since the early 1980s (Lall, 1983; Kumar, 1995; Page 1998; Aykut and Ratha, 2003, and UNCTAD, 2004). Most FDIs have been by Asian firms establishing footholds in other Asian countries but there has also been investment in developed countries such as the EU. Total investment by developing countries began to rise from about 1% of total foreign investment flows in the late 1970s to 4% in the mid 1980s and 6% by 1990, and after a peak in the 1990s before the Asian crisis, has remained around 6-7% of the total. The rise coincided with the reduction in the large differential between developing and developed country growth found in the 1970s, and with a

reduction, in some cases a reversal, of relative protection in developed and developing countries (revival of protection in the developed countries; liberalisation in the developing). It also coincided with some reduction in the growth of outflows to developing countries, suggesting that the same influences were affecting flows in both directions. South-South flows are estimated (as a residual, and noting challenges regarding data and methodology) to have risen from 5% in 1994 to 30% in 2000 of the total FDI inflows to developing countries, see Aykut and Ratha (2003). Nigeria is one of the economies with great demand for goods and services and has attracted some FDI over the years. The amount of FDI inflow into Nigeria has reached US\$2.23 billion in 2003 and it rose to US\$5.31 billion in 2004 (a 138 % increase) this figure rose again to US\$9.92 billion (an 87% increase) in 2005. The figure however declined slightly to US\$9.44 billion in 2006 (LOCOmonitor.com 2003).

The question that comes to mind is, do these FDI's actually contribute to economic growth in Nigeria? If FDI actually contributes to growth, then the sustainability of FDI is a worthwhile activity and a way of achieving its sustainability is by identifying the factors contributing to its growth with a view to ensuring its enhancement. Again, most studies on FDI and growth are cross-country studies. However, FDI and growth debates are country specific. Earlier studies (for instance, Otepolo, 2002; Oyejide, 2005; Akinlo; 2004) examined only the importance of FDI on growth and the channels through which it may be benefiting the economy. This study however examines the contributions of FDI to growth. In addition, analyze the endogeneity case using the causality test. It also empirically investigates the determinants of FDI flow in Nigeria.

Overall, empirical evidence in the last few decades indicates that FDI flows have been growing at a pace far exceeding the volume of international trade. Between 1975 and 1995, the aggregate stock of FDI rose from 4.5% to 9.7% of world GDP, with sales of foreign affiliates of multinational enterprises substantially exceeding

the value of world exports (Barrell and Pain, 1997). The United Nations Conference on Trade and Development, UNCTAD (2007) reports that FDI flow to Africa has increased from \$9.68 billion in 2000 to \$1.3 trillion in 2006. The UNCTAD World Investment Report 2006 shows that FDI inflow to West Africa is mainly dominated by inflow to Nigeria, who received 70% of the sub-regional total and 11% of Africa's total. Out of this Nigeria's oil sector alone receive 90% of the FDI inflow. Aggregate output growth measured by the gross domestic product (GDP), according to the Central Bank of Nigeria (CBN) 2007, economic report for third quarter of 2007, was estimated at 6.05 per cent, compared with 5.73 per cent in the second quarter. The growth was driven by the nonoil sector which was estimated at 9.47 per cent. This growth was driven mainly by major agricultural activities such as yam, Irish and sweet potatoes, groundnuts and maize.

Various classifications have been made of Foreign Direct Investment (FDI). For instance, FDI has been described as investment made so as to acquire a lasting management interest (for instance, 10% of voting stocks) and at least 10% of equity shares in an enterprise operating in another country other than that of investors' country (Mwillima, 2003; World Bank, 2007). Policymakers believe that Foreign Direct Investment (FDI) produces positive effects on host economies. Some of these benefits are in the form of externalities and the adoption of foreign technology. Externalities here can be in the form of licensing agreements, imitation, employee training and the introduction of new processes by the foreign firms (Alfaro, 2006).

According to Tang, Selvanathan and Selvanathan (2008), multinational enterprises (MNEs) diffuse technology and management know-how to domestic firms. When FDI is undertaken in high risk areas or new industries, economic rents are created accruing to old technologies and traditional management styles. These are highly beneficial to the recipient economy. In addition, FDI helps in bridging the capital shortage gap and complement domestic investment especially when it flows to a

high risk areas of new firms where domestic resource is limited (Noorzoy, 1979). The favourable economic environment has made some countries in SSA increasingly attractive as destinations for private capital inflows. Net private capital inflows reached record levels in 2007, led by strong FDI inflows. However, the bulk of FDI is still focused on a few countries and targeted mainly at extractive industries, particularly the petroleum sector, based on evidence from cross border mergers-and-acquisition related inflows, an important fraction of gross FDI inflows. But, deposit outflows from some oil exporters notably Libya, Nigeria, and Russia displayed some of the highest correlations, while for others including Saudi Arabia and other Middle Eastern oil exporters, the correlations were only modest. Libya, Nigeria, and Russia also accounted for one-half of all deposit outflows from oil- exporting countries. And in each of these countries deposit outflows accounted for one-half or more of total gross capital outflows. These huge capital outflows are linked mainly to extractive FDI and calls to question the ability of FDI to drive growth effectively in these countries.

Nunnenkamp and Spatz (2003) however criticized the view that developing countries should draw on FDI to create economic development. They concluded that the growth impacts of FDI are ambiguous because of highly aggregated FDI data. By disaggregating FDI and considering the compatibility of different types of FDI on economic conditions prevailing in the host country, the positive growth effects of FDI are doubtful. Host country and industry characteristics as well as the interplay between both sets of characteristics determine the growth impact of FDI in developing nations.

Alfaro et. al. (2006) analyzed the role of local financial markets in enabling FDI to promote growth through backward linkages. They asserted that to operate intermediate firms in the goods sector, the entrepreneurs require upfront capital investments. The more developed the local financial markets is, the easier it is for credit constrained firms to operate. The increase in the varieties and quantities of



intermediate goods, leads to positive spillovers to the final goods sector. Due to this, the financial markets ensure the backward linkages between foreign and domestic firms to turn into FDI spillovers. Their calibration results indicate that holding foreign presence constant, financially well developed economies perform almost as twice as economies with poor financial markets in term of growth. FDI contributes more in an economy with well developed financial system than in an economy with less developed financial system. Lastly, local conditions such as market structure, human capital are also important to generate a positive effect of FDI on economic growth.

There are a number of ways through which trade flows and FDI can be linked. Goldberg and Klein, (1998) asserted that FDI may encourage export promotion, import substitution, or greater trade in intermediate inputs which often exist between parent and affiliate producers. The orientation of most investments by multinational firms is towards exports and this may most likely serve as a catalyst for the integration of the FDI host economy to a global production network in sectors in which it may formerly have had no industrial experience (OECD, 1998). Rodriguez Clare (1996); Calderón, Mortimore and Peres (1996) argue that the very nature of the activities of multinational enterprises in Mexico could encourage the expansion of its industrial exports. These studies clearly indicate that FDI could be associated with export trade in goods, and the host country may enjoy an FDI led export growth. Goldberg and Klein (1998, 1999) do not find evidence to support a significant link between FDI and aggregate exports in Latin America. According to them, the trade-promoting effects of FDI appear to be weak or insignificant with regard to Latin American trade with the United States and Japan. Their results also failed to find a systematic linkage between sectoral trade and FDI in Latin America.

Romer (1993) argues that idea gaps exist between the rich and poor countries and foreign investment can ease the transfer of technology and business understanding

of the poorer countries. Based on this view, FDI can have a spillover on all firms thereby boost the productivity of the entire economy. Boyd and Smith (1992) however argued to the contrary. According to them, FDI can affect resource allocation and growth negatively where there is price distortion, financial, trade and other forms of distortions existing prior to FDI injections. Wheeler and Mody (1992) also supports the view of Boyd and Smith (1992). According to Wheeler and Mody (1992), infrastructure enhances FDI's contributions by reducing their operating costs and increasing the productivity of investments. In other words, the growth impact of FDI is not automatic but tied to certain levels of infrastructure and economic performance. Edozien (1968) discusses the linkage effects of FDI on the Nigerian economy and submits that these have not been considerable and that the broad linkage effects were lower than the Chenery–Watanabe average (Chenery and Watanabe, 1958).

Oseghale and Amonkhienan (1987) found that FDI is positively associated with GDP, concluding that greater inflow of FDI will spell a better economic performance for the country. Ayanwale (2007) investigated the empirical relationship between non-extractive FDI and economic growth in Nigeria. Using OLS estimates, he found that FDI has a positive link with economic growth but cautioned that the overall effect of FDI on economic growth may not be significant. Herzer et al (2006) using a bivariate VAR modeling technique, found evidence of a positive FDI-led growth for Nigeria, Sri Lanka, Tunisia, and Egypt; and based on weak exogeneity tests, a long-run causality between FDI and economic growth running in both directions was found for the same set of countries. A slight difference from this result is observed in Okodua (2009) who examined the sustainability of the FDI-growth relationship in Nigeria. Using the Johansen cointegration framework and a multivariate VAR within a vector error correction model, found evidence of a long-run equilibrium relationship between economic growth and FDI inflows. The study also revealed a unidirectional causality from FDI to economic growth.

Akinlo (2004) investigates the impact of FDI on economic growth in Nigeria using data for the period 1970 to 2001. His error correction model (ECM) results show that both private capital and lagged foreign capital have small and insignificant impact on economic growth. This study however established the positive and significant impact of export on growth. Financial development which he measured as M2/GDP has significant negative impact on growth. This he attributed to capital flight. In another manner, labour force and human capital were found to have significant positive effect on growth. The generation of productivity spillovers is one possible channel through which FDI can affect growth. Some earlier studies found evidence that FDI has led to significant positive spillover effects on the labour productivity of domestic firms and on the rate of growth of domestic productivity in Mexico [Blömmstrom and Persson (1983), Blömmstrom (1986), Blomström and Wolf, (1994)].

However, Kokko, Tansini and Zejan (1996) cautioned in the case of Mexico and Uruguay, that spillovers are difficult to identify in industries where foreign affiliates have much higher productivity levels than local firms. De Gregorio (2003) contributes to the debate on the importance of FDI by noting that FDI may allow a country to bring in technologies and knowledge that are not readily available to domestic investors, and in this way increases productivity growth throughout the economy. Dolan and Tomlin (1980) found that FDI flows were positively associated with growth of per capita income but that the stock of FDI had a negative effect on growth. This result is supported by Saltz (1992) who confirms a negative stock effect for a sample of 75 developing countries for the period 1970-80. Balasubramanyam, Salisu, and Sapsford (1996) analyses how FDI affects economic growth in developing economies. Using cross-sectional data and OLS regressions, they found that FDI has a positive effect on economic growth in host countries with an export promoting strategy but not in countries using an import substitution strategy.

Tang, Selvanathan and Selvanathan (2008) explored the causal link between FDI, domestic investment and economic growth in China between 1988-2003 using the multivariate VAR and ECM. Their results indicate that there is a bi-directional causality between domestic investment and economic growth, while there is single-directional causality from FDI to domestic investment and to economic growth. They concluded that there is a higher level of complementarity between FDI and domestic resources. Studies on FDI-growth issues in Nigeria include Oyejide (2005) which provided conceptual framework for the analysis of the macroeconomic effects of volatile capital flows. It concluded that capital flows have their pros and cons. This however depends on the initial conditions of the developing economy concerned. It can stimulate growth of the real sectors when the initial conditions are right. It could retard growth however, due to macroeconomic shocks that could undermine the stability of real sector and impose higher adjustment cost on the economy. The paper therefore recommends capacity building as a way of maximizing benefits and minimizing risks from capital flows. Otepola (2002) examines the importance of foreign direct investment in Nigeria. The study empirically examined the impact of FDI on growth. He concluded that FDI contributes significantly to growth especially through exports. This study recommends a mixture of practical government policies to attract FDI to the priority sectors of the economy.

A number of studies on the FDI-growth nexus in Nigeria exist in the literature. For example, Otepola (2002), in a work on FDI and economic growth in Nigeria reported a low level of existing human capital suggesting that the human capital (labour) available in Nigeria is not FDI inducing. Akinlo (2004) noted that export, labour, and human capital are positively related to economic growth in Nigeria. Ayanwale and Bamire (2001) assess the influence of FDI on firm level productivity in Nigeria and report a positive spillover of foreign firms on domestic firm's productivity. Oyinlola (1995) conceptualized foreign capital to include foreign loans, direct foreign investments and export earnings. Using Chenery and

Stout's two-gap model (Chenery and Stout, 1966), he concluded that FDI has a negative effect on economic development in Nigeria. Adelegan (2000) explored the seemingly unrelated regression model to examine the impact of FDI on economic growth in Nigeria and found out that FDI is pro consumption and pro-import and negatively related to gross domestic investment. Akinlo (2004) found that foreign capital has a small and not statistically significant effect on economic growth in Nigeria. Aluko (1961), Brown (1962) and Obinna (1983) report positive linkages between FDI and economic growth in Nigeria.

Neo-classical researchers regard FDI and international capital flows as closing the savings gap in developing countries (e.g. Chenery and Bruno, 1962). We would expect capital to flow from capital rich to capital poor countries, as is suggested by developments in the Heckscher-Ohlin approach to trade by Mundell (1957), because capital is scarce in developing countries which should lead to profitable investment opportunities for capital in developing countries. On this view there should be no outflows from Africa. However, FDI represents control of production as well as a flow of capital, and it is influenced by other factors as well. In the traditional trade approach, trade and FDI might be seen as substitutes, but as other factors affect FDI, such as technology and firm-specific assets, they may also be complements (Markusen, 1984 and 1995). Examples of firm-specific assets are brand names (acquired through advertising) or firm specific knowledge (acquired through R&D). On this view African outward FDI would still be limited, because they do little research and spending on advertising, with the possible exception of South Africa.

Recognising that there are other reasons for FDI than differences in factor endowments and factor prices, trade economists have begun to embrace increasing returns, imperfect competition and product differentiation in addition to the traditional comparative advantage paradigm and where multinationals have been incorporated and made endogenous. The first attempts were by Helpman (1984) who integrated vertical multinationals and Markusen (1984) who integrated

horizontal multinationals into the trade theory. Vertical multinationals separate production geographically into different plants to intra-industry trade. Horizontal multinationals are multi-plant firms selling similar products in different locations. Markusen (1997) presents a unified approach to vertical and horizontal multinationals. Horizontal Multinational Enterprises (MNEs) dominate if nations are similar in size and relative endowments and if transport costs are high. Vertical MNEs appear with headquarters in the skilled labour abundant country, provided that transport costs are high enough. National firms dominate if both trade costs are small and the home market is large enough: in this situation it makes sense to incur the fixed costs of setting up only one plant, from where to export. Within this framework it can be shown that trade and investment liberalisation are not substitutes and the two taken together may lead to a reversal in the direction of trade. Carr et al. (2001) provides a good empirical test of the framework, clearly showing the complexity and non-linearity's affecting FDI and hence the relationship between trade and FDI. On this view, African outward FDI (particularly intra-Africa) will grow, but only in the future as incomes in Africa rise and their economic structures become similar.

Dunning (1993) have explained the emergence of TNCs using an eclectic paradigm for FDI, the Ownership-Location-Internalisation (OLI) framework. Multinationals need to have some firm specific asset that differentiates them from domestic firms to compensate for the extra costs in terms of local knowledge that a foreign firm must incur to operate in foreign markets. The firm specific asset is called an Ownership (O) advantage. Multinationals should also have an Internalization (I) advantage to internalize business contacts, and not to outsource. The reason a multinational invests in one country but not in another depends on the country's location advantage (L). The OLI framework explains FDI on the basis of ownership-specific advantages of the firm, internationalization incentives and location advantages. Dunning then defines four types of TNCs:

- Market-seeking (TNCs that serve market through investment rather than through exports)
- Efficiency-seeking (e.g. TNCs using low labour costs)
- Natural resources-seeking
- Strategic asset seeking (seeking technology, skills or take over brand names)

Using this classification, African investors are more likely to invest in order to seek markets or for strategic reasons, and especially the latter is more likely to be out of Africa. African's are less likely to invest outside Africa for efficiency reasons (it has relatively low wages, though there is disparity as we will note later) or for natural resources (Africa has an abundance of natural resources). We also need to take into account policy factors (trade, investment, and privatization) as these have changed dramatically within Africa. Aykut and Ratha (2003) also discuss factors behind the rise in South-South flows, and distinguish between pull and push factors but do not deal with the African context (with the exception of South Africa).

### **2.3 Determinants of FDI:**

The literature on FDI determinants has adopted either the pull factor (demand-side) approach or the push factor (supply-side) approach, or a combination of both. The push factor approach examines the key factors that could influence or motivate multinational corporations (MNCs) to want to expand their operations overseas. They try to explain why national firms evolve into MNCs, and why they decide to locate production in another country rather than licensing or exporting (Singh and Jun, 1995). In this study we focus only on pull factors, which illustrate the relationship between host-country specific conditions and the inflow of FDI that is, the factors that attract FDI when the decision to invest out of the home country is made by the MNC.

A number of socioeconomic and political factors exist in the host country that determine available business opportunities and potential political risk and thus



influence the decision of MNCs to locate in a specific country. Among these factors, those regularly cited in the FDI literature are: infrastructure, market size, level of human capital development, distance from major markets, labour cost, openness of the economy to international trade, exchange rate, fiscal and other non-tax incentives, political stability, the legal system, and monetary policies. Also important have been endowments in natural resources such as petroleum, diamond and huge forest reserves, among others (Pigato, 2001; Akinkugbe, 2003; Asiedu, 2002). The implication is that while push factors influence the overall size of FDI, pull factors determine which country receives what share of the FDI (Carlson and Hernandez, 2002).

The relative importance of the pull factors in attracting FDI depends on the type of FDI in question. The literature generally identifies two main types of FDI, market-seeking and resource-seeking FDI (Lim, 2001; Campos and Kinoshita, 2003). Market-seeking FDI is intended to serve the local market. It is also called horizontal FDI, as it involves the replication of production facilities in the host country. The motive might be to reduce the cost of supplying the market (such as tariffs and transport costs) or to become more competitive by responding promptly to local situations and preferences. Horizontal FDI is therefore expected to replace exports if the cost of market access through exports is higher than the net cost of setting up a plant and producing in a foreign country. Market-seeking FDI is driven essentially by market size and market growth of the host economy, as it aims to better serve the local market by local production. Impediments to accessing local markets, such as tariffs and transport costs, encourage this type of FDI. Resource-seeking FDI, on the other hand, is motivated by factor cost differences. It goes for low-cost inputs such as natural resources, raw materials or labour. It is often called vertical, export-oriented or still raw material-seeking FDI since it involves slicing the vertical chain of production and relocating part of this chain in a low-cost location.



Generally, vertical FDI will be stimulated when different parts of the production process have different input requirements and input prices vary across countries. According to Shatz and Venables (2000), international differences in factor and raw material prices and refinements in production technology will tend to encourage vertical FDI. This form of FDI is usually trade creating, since products at different stages of production are shipped between different locations, and especially back to the MNC's home market. It is important to note, however, that horizontal and vertical FDI are not mutually exclusive, although the distinction between them is useful (Shatz and Venables, 2000). Among the many theories trying to explain FDI, Dunning (1993) proposes a framework that synthesizes the explanations and suggests that three conditions are required to motivate a firm to undertake FDI. This has become known in the FDI literature as the OLI paradigm because it explains the activities of MNCs in terms of ownership (O), location (L) and Internalization advantages (I). When selling its products abroad, a firm is at least initially disadvantaged relative to local producers.

Thus, in order to compete effectively with indigenous firms, a foreign producer must possess some ownership advantages. They can take the form of a superior production technology or improved organizational and marketing systems, capacity to innovate, trademarks, reputation, or other assets. Ownership advantages assure a firm's ability to enter the host country's market, but do not explain why the foreign presence should be established through production rather than exports. This issue is, in turn, addressed by location advantages that arise due to differences in factor quality, costs and endowments, international transport and communication costs, overcoming trade restrictions, and host government policies. The last advantage, internalization, explains why a foreign firm prefers to retain full control over the production process instead of licensing its intangible assets to local firms. This decision may be attributable to high transaction costs involved in regulating and enforcing licensing contracts. The empirical literature on the determinants of FDI

flows is large, but is characterized by a divergence of views concerning some determinants of FDI to developing countries. According to Chakrabarti (2001), “the literature is not only extensive but controversial as well”. Market size (as measured by GDP per capita) is the most widely accepted determinant of FDI flows. Almost all empirical studies on the determinants of FDI have included the host country market as one of the explanatory variables (Billington, 1999; Tsai, 1994; Campos and Kinoshita, 2003; Akinkugbe, 2003; others). This does not indeed mean that there is total unanimity on the positive effects of market size. Edwards (1990) and Jaspersen et al. (2000) find a negative relationship between FDI flows and market size. Other authors have opted for the use of absolute GDP, but this has been contested on the grounds that it is a poor indicator of market potential for the products of foreign investors, since it reflects the size of the population rather than income (Chakrabarti, 2001). The growth rate of GDP has equally been used in empirical studies to assess the impact of a rapidly growing economy on FDI flows. A rapidly growing economy provides relatively better opportunities for making profits than one that is growing slowly or not at all.

Another factor featuring in most studies on FDI determinants is openness of the economy to international trade. Given that most investment projects are directed towards the tradeable sector, a country’s degree of openness to international trade should be a relevant factor in the MNC decision. On the other hand, some authors test the hypothesis that FDI that is basically intended for tariff-jumping purposes will be attracted by more restrictive trade regimes. The evidence on the effect of openness is consequently mixed. Akinkugbe (2003), Asiedu (2002), Campos and Kinoshita (2003), Edwards (1990), and others all report a significant positive effect of openness on FDI, but Wheeler and Mody (1992) find a negative effect on FDI in the electronic sector. Concerning trade barriers (tariffs), Lunn (1980) reports a positive relationship with FDI, while Culem (1988) finds the contrary. Asiedu (2002) recognizes the importance of capital account openness on FDI flows,

although she does not assess it for lack of data. The exchange rate is often cited as one of the determinants of FDI. There is an exchange rate risk involved in the repatriation of profits. Investors will prefer to invest in countries with strong currencies. The empirical results are equally mixed. Singh and Jun (1995) find a significant negative relationship between the real exchange rate and FDI for a group of developing countries, while Edwards (1990) finds a significant positive relationship. Other researchers prefer to use exchange rate uncertainty as an indication of macroeconomic uncertainty. Goldberg and Kolstad (1995) find exchange rate uncertainty to negatively affect the production level, but the relationship with FDI is unclear. Another indicator of a stable macroeconomic environment used in FDI studies is the record of price stability. A history of low inflation and prudent fiscal activity signals to investors how committed and credible the government is. Akinkugbe (2003) finds only a marginal negative effect of inflation on FDI. Schneider and Frey (1985) find both high balance of payment deficits and inflation to negatively affect FDI.

The influence of fiscal incentives (this might take the form of tax holidays, subsidies and others) is expected to be positive, but empirical studies have had mixed results. Wheeler and Mody (1992) find them not important, while UNCTC (1991) finds evidence that tax incentives have a positive influence on FDI. Billington (1999) observes that host country corporate tax has a negative effect in FDI. The quality of institutions is widely discussed in the FDI literature, but its empirical implementation is plagued by measurement problems. Institutions underpin the hospitality of the business environment. Several variables have been used to assess the impact of institutional quality on FDI flows. The level of sociopolitical instability, corruption, administrative bottlenecks, and inefficient and inequitable legal systems have been found to have a negative influence on FDI flows (Singh and Jun, 1995; Obwona, 1998; Campos and Kinoshita, 2003).

An interesting argument in this domain is that of Lumenga-Neso and Morisset (2002), which looks at the administrative obstacles to FDI in developing countries. Twenty of the 32 countries in the sample are from Africa. They show that firms investing in developing countries face significant administrative costs. The high cost is attributable to acquisition and development of land, operational requirements for import-export, business registration, initial bank deposit, electricity, telephone and water connections, among others. All these factors increase the administrative cost of doing business and consequently deter foreign investment. They recommend that lowering corruption levels, improving the quality of governance, increasing financial openness and increasing public sector wages can reduce administrative cost. Such reforms should be incorporated into broader reforms such as trade, financial liberalization, anti-corruption measures and public sector reforms. The argument is important as it examines a domain (administration) that is usually characterized by a paucity of data. The scarcity of studies on administrative cost and FDI is explained more by the lack of data than by the conception that administrative issues are not important for FDI.

The empirical literature has also examined the effect of agglomeration factors on FDI. These include the level of infrastructure development and the existing stock of FDI. Both generally have a positive impact on FDI (Akinkugbe, 2003; Wheeler and Mody, 1992 ; Barry and Bradley, 1997; others). Asiedu (2002), however, finds that infrastructure development attracts FDI to other developing countries, but not to sub-Saharan Africa. A number of other variables have been included in FDI equations with varying results. Amongst them are human capital, government consumption and external debt. Chakrabarti (2001) attributes the wide divergence of views in the empirical literature to the wide difference in perspectives, methodologies, sample selection and analytical tools. He makes an attempt to resolve the divergences by using Extreme Bound Analysis (EBA) to determine which coefficients of the explanatory variables of FDI are “robust” to small

changes in the conditioning information set. His results indicate a strong support for the explanatory power of market size of the host country as a major, if not the most significant, determinant of FDI inflow. Other factors, such as openness to international trade, wages, net exports, growth rate, tax regime, tariffs and exchange rate turned out to be less robust, although not very fragile, as determinants of FDI inflow. According to these findings, while openness to trade, growth rate and tax regime are likely to be positively correlated, wages, net exports and exchange rate are more likely to be negatively correlated with FDI. Finally, another set of indicators such as inflation, budget deficit, domestic investment, external debt, government consumption, political stability, human capital, natural resources and infrastructure was found to be very fragile in their effect on FDI inflow and are highly sensitive to small alterations in the conditioning information set.

## **2.4 Significance of the Review**

Arriving at a consensual definition of the phenomenon of terrorism has been a particularly difficult undertaking. Some definitions are either too specific or too vague, concentrating on some essential “terrorist” aspect of the actions, strategies, or types of non-state organizations that engage in terrorism. In this work we draw on global approaches from international relations and world systems theories to propose a definition of terrorism that skirts these issues by concentrating on terrorist actors rather than terrorist behavior. The review exposed the flow of Foreign Direct Investment in Africa and the global share of Nigeria from it. It equally assisted us to look at the determinants of foreign direct investment critically in line with global best standards and expectations.

Within the context of the Nigerian economy, a number of studies found a positive relationship between FDI and economic growth in Nigeria. Amongst these studies are Aluko (1961), Brown (1962), Obinna (1983), and Oseghale and Amonkhienan (1987). However, later studies like those by Oyinlola (1995), Ariyo (1998),

Adelegan (2000) saibu et al (2011) report a negative effect of FDI on economic development in Nigeria. Saibu et al (2011) quote Akinlo (2004) as having found that foreign capital has a small and not statistically significant effect on economic growth in Nigeria. But how does one reconcile this with the fact that since 1970s, growth of the Nigerian economy has depended largely on crude oil production than non-oil. Onodugo et al (2013) recent study findings, revealed a very weak and infinitesimal impact of non-oil export in influencing rate of change in economic growth in Nigeria. The study as a result, concludes that Nigeria's level of growth is largely driven by Foreign Capital .

## **2.5 The Gap in Knowledge**

The focus amongst Nigerian studies was on spillover effects of FDI, as well as FDI-growth impact. Among these, Asiedu (2006) reported political stability as one of the important factors that account for the inflow of FDI in Nigeria. So far, few attempt has been made on the investigation of the effect of insecurity, and more specifically on the Niger Delta crises than the current Boko Haram Islamists Militant insurgence on the flow of FDI in Nigeria, and by extension, how this has affected the growth of the Nigerian economy within the period under investigation. This forms the important existing gap in literature which the study attempt to fill. In summary, there exist some areas in the understanding of this research that deserve further thorough investigation based on the literature reviewed on the determinant of Foreign Direct Investment on Nigeria. As most of the studies reviewed fail to investigate or expose the reasons for the decline of Foreign Direct Investment In Nigeria or at any rate argue that the decline might not be unconnected with recent spate of insecurity in Nigeria. Meanwhile some media reports would portray another picture on the contrary that FDI has grown substantially even the mist of these crises.

The gap in knowledge which we filled in this research is to demonstrate that the greatest cause of insecurity in Nigeria today which impedes the free flow of FDI is

unarguably the activities of Boko haram which leaves in its trail wanton destruction of lives and properties which no Foreign investor in his right senses will dare risk to venture. Even those with large risk appetite are skeptical towards investing in an unsecured state.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design.**

The study used an Ex-Post Facto Research design which adopted a documentary research and in-depth interview to collect data on the impact of Boko Haram terrorist activities on Foreign Direct Investment in Nigeria. Purposive sampling technique was used to select 4 out of the 19 Investment Sectors. Four informants in the sector were interviewed. The study adopted content analysis and descriptive statistical tools for data analysis while presentation was done in textual, chart, tabular and pictorial forms. The researcher employed secondary sources of data collection to generate the required data mainly from textbooks, journals, articles, internet materials, video tapes and interviews.

The work adopted the Marxian theory on Capital Accumulation and Relative Deprivation Theory of Ted Gurr as platforms to build a treatise to explain the rise of Boko Haram terrorism and the flow of Foreign Direct Investment in Nigeria. The key variables in this research are Foreign Direct Investment and Boko Haram terrorism. Boko haram terrorism is taken as a variable amongst other social crises in Nigeria. In order to approach our research topic scholarly we examined documents already dealing with the research issue, these documents include several forms of written materials, data showing the inflow and out flow of foreign direct investment and the relationship between the activities of the sect the FDI flow and litany of attacks by Boko Haram to enable us explain the nature of their operation.

After spending some time on the topic, we decided to undertake, qualitative approach which will avail us with the secondary data needed to prove our hypothesis and enable us to see the possibilities of different perceptions possible on the subject. There is no clear right or wrong answer so it is more of a case of



carefully examining the process and subsequently providing possible explanations. We equally used some primary statistical tools such as bar charts, pie charts and tables which aided our data presentation and analysis. Our reason for choosing the approach is due to the possibility to interpret the situation and not only focus on numbers as in a quantitative approach, but would allow us to show a deeper and more precise picture hidden behind the numbers.

### **3.2 Sources of Data:**

Our source of information is based on secondary and primary data such as data from National Bureau of Statistics. United Nations Conference on Trade and Development, Central Bank of Nigeria, Investment Promotion Agency, ICC and Force Headquarters, Abuja. We visited these places and extracted some requisite useful information which assisted us accordingly. Text books, research journals, official gazette, editorials, magazine, articles and key personality interview equally assisted as sources of useful data generated.

### **3.3 Method of data collection:**

Our method of data collection was of two folds, we undertook documentary research because we embarked upon an open approach towards the collection of documents via secondary data and a structured interview schedule with officials of UNCTAD in Nigeria, officials of the Central Bank of Nigeria, officials of the International Chamber of Commerce in Nigeria and Investment Promotion Agency in Nigeria and some high ranking police officers as well as officers of Nigerian Army Joint Task Force. We equally garnered interview from officials of conglomerates and Foreign companies such as MTN, LARFARGE AFRICA, LAGOS CHAMBER OF COMMERCE AND INDUSTRY.

### **3.4 Sampling Technique**

Purposive sampling technique was used to select 4 out of the 19 Investment Sectors. Four informants in the sector were interviewed. These sectors are: Telecommunications, Hospitality, Fast Moving Consumer Goods and Construction

### **3.5 Method of Data Presentation and Analysis:**

Our instrument of data analysis was content analysis and descriptive statistical tool. Secondary data gathered from text books, research journals, official gazette, editorials, magazine, articles were content analysed to prove our hypotheses. The researcher equally used the descriptive statistical tool such as proportion and percentage to summarize and describe some of our numerical data.

### **3.6 Theoretical Framework**

The study attempted two theories which assisted us to understand and explain the emergence of terrorism and how their activities undermined the flow of Foreign Direct Investment. The Marxian theory on Capital Accumulation and the Relative Deprivation theory was utilized. Hence a brief history of the two theories and their application was analyzed accordingly.

### **3.7 The Theory of Relative Deprivation**

#### **The History of Relative Deprivation Theory**

Sociologist Samuel A. Stouffer is credited with developing relative deprivation theory after World War II. Stouffer first wrote of relative deprivation theory in his study entitled “The American Soldier” (1949) which is part of a four-volume series entitled “Studies in Social Psychology in World War II.” The series and its component study was a compilation of the data collected during a five-year war-time project that was funded by Carnegie Corporation and the Social Science Research Council (Heck & Wech, 2003). Stouffer developed the relative deprivation theory while conducting research for the U.S. Army during World War

II. Stouffer is remembered as a pioneer in the effort to combine theory and empirical research.

Stouffer reported that World War II soldiers measured their personal success by standards based on experience in the military units in which they serve as opposed to the standards in the armed forces in general. Stouffer's relative deprivation theory, developed to understand the psychology of soldiers, grew to be an established theory of social science scholarship; as such, he is remembered as a pioneer in the effort to combine theory and empirical research (Adams, 1970). Stouffer conducted the research upon which the relative deprivation theory is based while serving as the director of the U.S. military's Research Branch. The Research Branch, which was officially established in 1941, was a part of the Morale Division, Special Services Division, and Information and Education Division. The Research Branch was created to provide facts about the attitudes of soldiers to the Army command for use in training and policy matters. Specifically, the Research Branch was created to provide a scientific foundation and rationale for policy making, inducting, training, directing, managing, and demobilizing the armed forces.

While modern relative deprivation theory developed in the 1940s, the concept of relative deprivation itself has a longer history in the social sciences. The social sciences have long recognized that deprivation relative to some another person or group can influence behavior. For example, Toqueville and Marx, in the 19th century, used the idea of relative deprivation in their respective analyses of the French Revolution and the problems associated with the rise of capitalism and personal property. Stouffer built on the social science concept of relative deprivation to build and cement his formal theory of relative deprivation following World War II (Krahn & Harrison, 1992).

Other protagonist of this theory include; Robert Merton 1938, Walter Runciman 1966, Ted Gurr 1970, Peter Townsend 1979, Iain Walker, Heather Smith 2001, Kurt Bayertz 1999.

### **Tenets/Application of Relative Deprivation Theory**

In order to understand our hypothesis, it is important first to understand relative deprivation as a theory of political violence. Gurr (1970) explains that instead of an absolute standard of deprivation, a gap between expected and achieved welfare creates collective discontent. This theory also applies to individuals who find their own welfare to be inferior to that of others to whom they compare themselves. In this work, we will examine how relative deprivation theory has been used to explain different kinds of political violence, and whether it might also account for terrorist attacks. Gurr explains political violence as the result of collective discontent caused by a sense of relative deprivation. He writes, “Relative deprivation’ is the term... used to denote the tension that develops from a discrepancy between the “ought” and the “is” of collective value satisfaction, and that disposes men to violence.” This gap between an individual's expected and achieved welfare results in collective discontent. The concept of relative deprivation dates back to ancient Greece. Aristotle articulated the idea that revolution is driven by a *relative* sense or feeling of inequality, rather than an *absolute* measure.

According to Gurr (1970), “For Aristotle the principal cause of revolution is the aspiration for economic or political equality on the part of the common people who lack it, and the aspiration of oligarchs for greater inequality than they have, i.e. a discrepancy in both instances between what people have of political and economic goods relative to what they think is justly theirs.” Aristotle’s opinion corroborates with Seul (1999) who posits: Religion is not the cause of religious conflict; rather for many... it frequently supplies the fault line along which intergroup identity and resource competition occurs. The extent of relative poverty and inequality in

Northern Nigeria has led several analysts and organizations to argue that socio-economic deprivation is the main factor behind Boko Haram's campaign of violence in northern Nigeria (Agbiboa 2013d, 2013b; Mustapha 2012; Kukah 2012; Agbiboa 2013b; HRW 2012; ICG 2010). Isa, for example, argues that Boko Haram communities are wrecked by 'poverty, deteriorating social services and infrastructure, educational backwardness, rising numbers of unemployed graduates, massive numbers of unemployed youths, dwindling fortunes in agriculture...and the weak and dwindling productive base of the northern economy' (Isa 2010). Kwaja toes a similar line in arguing that 'religious dimensions of the conflict have been misconstrued as the primary driver of violence when, in fact, disenfranchisement and inequality are the root causes' (Kwaja 2011).

Sope Elegbe (2011) argues, 'The increasing poverty in Nigeria is accompanied by increasing unemployment. Unemployment is higher in the north than in the south. Mix this situation with radical Islam, which promises a better life for martyrs, and you can understand the growing violence in the north'. In his recent personal account of the Nigerian Civil War (1967–1970), the late Nigerian writer Chinua Achebe described Boko Haram as a product of economic deprivation and corruption in northern Nigeria. In his words, 'economic deprivation and corruption produce and exacerbate financial and social inequities in a population, which in turn fuel political instability' (Achebe 2012).

Boko Haram is the symptom of the failure of nation-building and democratic politics in Nigeria. It is the misguided cry of a disgruntled youth crushed by the socio-economic system on the one hand and then repressed by the state on the other' (Mustapha 2012). Marchal highlights the issue of the divergent (and largely unequal) economic and social dynamics of northern versus southern states in Nigeria as a main factor in the Boko Haram rebellion: 'Boko Haram is an ultra-violent social movement that has deep roots in the social and economic

marginalization of a large section of Nigeria's northern population' (Marchal 2012).

With Rev. Fr. Kukah, we observe a somewhat nuanced analysis from the poverty-conflict nexus to the bad governance-conflict nexus. Kukah argues that religion is used to mobilize against modernity, which is seen as the root cause of social anomalies. In his words, 'The evil effects of bad governance, corruption, total lack of security and welfare have all become part of our daily lives. Clearly, in the eyes of the sect members, the persistence of corruption, collapse of public morality, injustice and so on could only be attributed to those who govern. In their reasoning, those who govern us do so because they have acquired their tools by gaining Western education' (Kukah 2012). Kukah finds an ally in scholars like Clapham who argues more broadly that 'the breakdown of law and order in African states was basically the result of the legacy of bad governance' (Clapham 2004). During her visit to Nigeria in 2009, then-US Secretary of State Hillary Clinton reiterated this same reasoning when she noted that 'the most immediate source of the disconnect between Nigeria's wealth and its poverty is the failure of governance at the federal, state, and local levels... Lack of transparency and accountability has eroded the legitimacy of the government and contributed to the rise of groups that embrace violence and reject the authority of the state' (Clinton 2009).

Other scholars like Evans argue that 'a downward spiral of economic decline, often exacerbated by official corruption and mismanagement, has created governments that are at or near the point of collapse and that are being challenged, often violently, by their own citizens. Economic decline has hastened the process of national disintegration and vice versa' (Evans 1994). Furthermore, he argues that 'it is no accident that those countries whose economies are declining...should also be the ones experiencing the greatest amounts of violence and turmoil' Similarly, Collier adopted an economic approach to the causes of intrastate conflict. He argue

that, countries with low, stagnant, and unequally distributed per capita incomes that have remained dependent on primary commodities for exports face dangerously high risks of prolonged conflict. In the absence of economic development, neither good political institutions, nor ethnic and religious homogeneity or high military spending, provide significant defenses against large scale violence' (Collier 2003). Explanations such as these often draw on the human needs theory of social conflicts which holds that all human beings have basic needs which they seek to fulfill and failure to meet these needs could lead to the outbreak of violent conflict (Rosati 1990). The human needs theory resonates with the frustration-aggression theory of violence which argues that the occurrence of aggressive behavior presupposes the existence of frustration (Pear 1950; McNeil 1959). The frustration-aggression theory, in turn, provides the psychological dynamic for the relative deprivation theory - the proposed nexus between the intensity of deprivation and the potential for collective violence (Gurr 1970; Birrel 1972). Drawing on his studies of relative deprivation and conflict in Northern Ireland, Birrel argues that group tensions develop from a discrepancy between the 'ought' and the 'is' of collective value satisfaction.

According to Davies (1962), 'this discrepancy is a frustrating experience that is sufficiently intense and focused to result in either rebellion or revolution'. Despite the above socio-economic explanations, it is important to emphasize that the link between terrorism and poverty remains unclear and the debate unsettled. In fact, in recent years the poverty-conflict thesis has been criticized as overly simplistic. This is largely because it fails to explain why some poor people or places do not participate in violence, and because it offers very little in the way of clear recommendations for policy-makers (Agbibo 2013).

Krieger and Meierriek (2011) examine a host of possible influences on terrorism including global order, contagion, modernization, institutional order, and identity conflict among other factors. Following a detailed review of the relevant empirical

literature on what causes terrorism, they concluded that ‘there is only limited evidence to support the hypothesis that economic deprivation causes terrorism...poor economic conditions matter less to terrorism once it is controlled for institutional and political factors’ . Instead, they argue that ‘terrorism is closely linked to political instability, sharp divides within the populace, country size, and further demographic, institutional, and international factors.

However, Gurr was not the first in his field to propose a link between frustration and aggression. Dollard, Millard, et al. (1939) were the first to propose the theory, postulating that frustration leads men to act aggressively. According to our hypothesis, this frustration is caused by relative deprivation, and the resulting aggression is manifested as terrorism. Relative deprivation theory explains the origin of social movements. Social movements refer to a deliberate voluntary effort to organize individuals who act in concert to achieve group influence and make or block changes. Social movements are power-oriented groups rather than participation-oriented movements. This distinction means that the group actions of social movements are not necessarily of primary benefit to individual members but instead serve the groups’ larger goals. Coordinated group actions are undertaken to make changes in the larger socio-political context. Social movements tend to be most successful in open, democratic societies in which social mobility and social change are accepted concepts. Norm-oriented social movements are more common than value-oriented social movements. Norm-oriented movements refer to groups that attempt changes within the system. Value-oriented movements refer to groups that attempt to change the basic goals of a system. When applying relative deprivation theory to social movements, we look to see what structural conditions exist within the society to foster feelings of relative deprivation and lead to the creation of specific social movements (Morrison, 1971).

Stewart (2008) argues that there is a link between horizontal inequalities and armed violence. Walton (2010) also sees armed violence (including terrorism) as a



response to relative deprivation or exclusion. This theory supports the findings of Omale (2012) which argues that many people in Nigeria call for the restorative justice paradigm because they are 'aggrieved and hurt' socially, politically and economically; and could not explain why 'a people who stand in plenty of water should wash their hands with spittle'. Similarly, the grievance theory appears to support the assumption of some people in Nigeria, that the violent dimension of Boko Haram is a reaction to job creation opportunities granted to the Niger Delta militants in the Amnesty Programme. For this reason, the unemployed youth in the north are aggrieved and want to benefit from same.

This research however argues that where the Boko Haram members missed their mark is from their name 'Boko Haram' (western education is evil). How do they intend to benefit from international and local trainings like the Niger Delta militants when their supposed ideology already defines western education as evil? Another "grievance hypothesis" that this work argues is that modern Nigerian youths are becoming politically conscious and aware of their political right which have been constitutionally disfranchised. Unlike Uganda where a 19 years old girl won election into the National Parliament in 2012, section 65 ss (a) and (b) of the 1999 constitution of the Federal Republic of Nigeria states otherwise that 'a person shall be qualified for election to the National Assembly if he has attained the ages of thirty five years (for the Senate) and thirty years (for the House of Representative).

These constitutional provisions automatically disqualified potential youths electable into the National Assembly. By implication therefore, Nigerian youths are only good to be used as thugs and dumped by politicians but not as electable politicians themselves. Such political attitude can fuel a militarized sense of "we will do it ourselves" when provoked by the failure of government to provide for them in the mist of plenty. This theoretical discourse is relevant to Nigeria where people already feel that our democracy is anorexic or as the Governor of Imo

State-Chief Rochas Okorocha put it: Nigeria's democracy is suffering from "democratic kwashiorkism" (a situation where power is concentrated at the top and the head feeds fat while the lower extremities are extremely malnourished).

### **3.8 Marxian Theory on Capital Accumulation**

The major proponents of this theory are: Schumpeter 1954, Braudel 1982, Pasinetti and Scazzieri 1987, Hennings 1987. Bickerman 1972, Barbon 1690, Hume 1752, Hennings 1987). According to Marx, capital accumulation has a double origin, namely in trade and in expropriation, both of a legal or illegal kind. The reason is that a stock of capital can be increased through a process of exchange or "trading up" but also through directly taking an asset or resource from someone else, without compensation. David Harvey calls this accumulation by dispossession. The continuation and progress of capital accumulation depends on the removal of obstacles to the expansion of trade, and this has historically often been a violent process. As markets expand, more and more new opportunities develop for accumulating capital, because more and more types of goods and services can be traded in.

In Karl Marx's economic theory, capital accumulation is the operation whereby profits are reinvested into the economy, increasing the total quantity of capital. Capital was understood by Marx to be expanding value, that is, in other terms, as a sum of capital, usually expressed in money, that is transformed through human labor into a larger value, extracted as profits and expressed as money. Here, capital is defined essentially as economic or commercial asset value in search of additional value (surplus-value). This requires property relations which enable objects of value to be appropriated and owned, and trading rights to be established.

There are six propositions in the argument:

- 1) There are forces intrinsic to the process of capital accumulation which tend to raise the level of the organic composition of capital.

2) As the organic composition of capital rises, there is a tendency for the rate of profit to fall unless the rate of exploitation increases sufficiently to counter-balance the rise in the organic composition of capital (or unless some other counteracting force intervenes).

3) In the long run, rises in the rate of exploitation cannot completely counteract the rising organic composition of capital, and thus there will be a definite tendency for the rate of profit to decline.

4) When the decline in the rate of profit becomes serious and can no longer be compensated for by the existing rate of exploitation, an economic crisis occurs: the least profitable capitals disappear as businesses go bankrupt; and capitalists increasingly withhold investments because there are no profitable outlets. Aggregate demand, which is fundamentally derived from the rate of accumulation, therefore declines with the result that the crisis takes on the appearance of a crisis of overproduction of commodities. Whereas underconsumptionists argue that crisis is caused by an overproduction of commodities, by an overproduction of surplus value, the theory of the falling rate of profit argues the exact opposite. Because not enough [surplus value] has been produced, capital cannot expand at a rate which would allow for the full realization of what has been produced. The relative scarcity of surplus-labor in the production process appears as an absolute abundance of commodities in circulation. (Mattick 1969)

5) These conditions of crisis, however, serve the function of restoring conditions favorable for subsequent profitable accumulation. Several mechanisms accomplish this: a) unproductive capital is eliminated from the market, thus leaving the remaining capital at a higher level of productivity; b) in addition, when individual capitals go bankrupt they are forced to sell their existing constant capital at prices below real exchange values. This devaluation of capital means that in the aggregate the numerator in the organic composition of capital declines, thus raising the rate of profit; c) workers are thrown out of work, the reserve army of the unemployed

swells, and capitalists can push the wage below its value, thus increasing the rate of exploitation. Once these processes have advanced sufficiently to restore an acceptable rate of profit, accumulation resumes and the crisis ends.

6) While the crisis tendency of capitalist society takes the form of periodic business cycles, there is also an over-arching tendency for cycles to become progressively more severe. Each successive crisis occurs at a higher level of accumulation and thus a higher level of the organic composition of capital. The problems of restoring conditions for renewed profitable accumulation thus tend to become more difficult in each successive crisis (Mattick 1969). With slight variations, these six propositions are all held by proponents of the theory of the falling tendency of the rate of profit. The fourth proposition constitute the heart of the theory, for if it can be demonstrated that there is a tendency for the rate of profit to fall, the particular conception of how this in turn produces economic crisis and how economic crisis itself restores conditions of renewed accumulation follows fairly naturally.

### **Application of the Theory.**

This research incorporates the Marxist theory on accumulation of capital while explaining the reason for the decline of Foreign Direct Investment in Nigeria. Marxists stress that the factor which determines what happens in our society is the drive to accumulate capital; i.e., the ceaseless quest to make profits, which are then reinvested, to make more profit, in an endless spiral of capital accumulation. This leads to innovation and change. Why are there now McDonalds in everywhere? Why has so much manufacturing left Nigeria? These changes have come about because competing firms are always looking for ways of maximising their profits.

Note that capitalists have no choice here. They must constantly seek more profitable fields for investment, because they are competing against each other and if they fall behind they will be killed off. It is important not to focus criticism on

capitalists; it is the capitalist system that is the problem. Capitalists are locked into deadly competition. Korten (1995), explains how executives who do things like preserve forests will therefore not maximise profits and will thus be targeted for hostile takeover by firms who can see that greater profits can be made there. In Karl Marx's economic theory, capital accumulation refers to the operation whereby profits are reinvested increasing the total quantity of capital. Capital is viewed by Marx as expanding value, that is, in other words, as a sum of money that is transformed into a larger sum of money. Capitalism is money-making activity, although Marxists often equate capitalism with the capitalist mode of production. Here, capital is defined essentially as economic or commercial asset value in search of additional value or surplus-value. This requires property relations which enable objects of value to be appropriated and owned, and trading rights to be established.

According to Marx, capital accumulation has a double origin, namely in trade and in expropriation, both of a legal or illegal kind. The reason is that a stock of capital can be increased through a process of exchange or "trading up" but also through directly taking an asset or resource from someone else, without compensation. David Harvey calls this accumulation by dispossession. Marx does not discuss gifts and grants as a source of capital accumulation, nor does he analyze taxation in detail. Nowadays the tax take is often so large (i.e., 25-40% of GDP) that some authors refer to state capitalism. This gives rise to a proliferation of tax havens to evade tax liability. The continuation and progress of capital accumulation depends on the removal of obstacles to the expansion of trade, and this has historically often been a violent process.

As markets expand, more and more new opportunities develop for accumulating capital, because more and more types of goods and services can be traded in. But capital accumulation may also confront resistance, when people refuse to sell, or refuse to buy (for example a strike by investors or workers, or consumer resistance). What spurs accumulation is competition; in business, if you don't go

forward, you go backward, and unless the law prevents it, the strong will exploit the weak. In general, Marx's critique of capital accumulation is that humans chase after wealth and self-enrichment leads to inhuman consequences. The enrichment of some is at the expense of the immiseration of others, and competition becomes brutal. The basis of it all is the exploitation of the labour effort of others. When the "economic cake" expands, this may be obscured because all can gain from trade. But when the "economic cake" shrinks, then capital accumulation can only occur by taking income or assets from other people, other social classes, or other nations. The point is to exist, capital must always grow, and to ensure that it will grow, people are prepared to do almost anything.

The argument here is that, FDI seek for conducive countries where to invest their capital. Socio-political crisis is antithetical to raw capitalism. It is an anathema to investors. Prospective foreign investors cannot risk investing in a crisis ridden state. Crisis that undermines their activities and impedes the free flow of their business activities cannot be tolerated. Hence the reason for Foreign Direct Investment is not to assist in resolving internal conflict or wade into a crisis arising from social disorder of country, but to seek for crisis free state to invest and expect returns on investment in the shortest possible time. However, the tendency for the rate of profit to fall in an investment arising from the activities of Boko Haram terrorism which is scaring investors could be the primary reason for the decline in the flow of Foreign Direct Investment in Nigeria today.

### **3.9 Research Hypotheses**

For the purposes of analytical rigor, expression of originality of thought and uniqueness of presentation. It should be scholarly and germane for us to critically and clearly itemize the hypotheses.

- The nature and character of terrorism in Nigeria is multidimensional.

- The activities of Boko Haram sect as a terrorist group have contributed significantly to the decline of Foreign Direct Investment in Nigeria.
- The Government's response to curbing the activities of Boko Haram has not yielded significant results.
- Possible solutions to the dimension of terrorism on the flow of Foreign Direct Investment should be addressed with the Joint Security Management Approach.

## **CHAPTER FOUR**

### **THE MULTIDIMENSIONAL NATURE AND CHARACTER OF BOKO HARAM TERRORISM IN NIGERIA.**

#### **4.1 A Brief Political History of Nigeria.**

The Federal Republic of Nigeria became independent on 1st October 1960 mainly as a federation of three regions, corresponding roughly to the three largest ethnic identities of the country: the Hausa and Fulani (29 percent of the population), concentrated in the far north and neighboring country of Niger; the Yoruba (21 percent) of southwestern Nigeria; and the Igbo (18 percent) in the southeastern portion of the country. (CIA Fact Book, 2011).

Under the founding constitution, each of the three regions retained a substantial measure of self-government, while the federal government was given exclusive Powers in defense and security, foreign relations, and commercial and fiscal policies. It is important to recognize, however, that in addition to the three main ethnic identities mentioned above, there are hundreds of ethnolinguistic entities throughout Nigeria—including Ijaw (10 percent of the population), Kanuri (4 percent), Ibibio (4 percent) and Tiv (2 percent)—who have at times been historically marginalized and underrepresented among the political and economic elite. Roughly two-thirds of these “minority” ethnic groups are located in the northern states, but several are also prominent in the central states (such as the Tiv) and in the coastal Niger Delta region (such as the Ijaw and Ogoni). (Otite 1990)

Despite this cultural diversity, according to Mustapha (2005), “the tendency of many minority groups to cluster politically, linguistically and culturally—round the big three has given Nigeria a tripolar ethnic structure which forms the main context for ethnic mobilization and contestation. Finally, approximately half the population is Muslim, and most of the other half is Christian, contributing a



powerful religious dimension to Nigeria's tremendous ethnic and social diversity.(CIA Fact Book 2011). However, the fact that northerners are mostly Muslim and southerners are mostly Christian contributes to our understanding of Nigeria's security challenges. In 1958, significant oil reserves were discovered in Nigeria, and this had an enormous impact on the economic, social, and political life of the country.

Prior to this, the Nigerian economy had been largely based on cash crop exports: cotton in the north, rubber in the south, palm oil in the southeast, and cocoa in the west of the country. It is important to note that most of the oil resources of Nigeria are located in just one region in the southeast, known as the Niger Delta, where the Igbo are the largest ethnic group. Other significant oil resources are found further south, offshore in the Gulf of Guinea. This has implications for where the oil extraction activities (and environmental impacts) are concentrated, as well as for resource distribution and a host of other issues that will be discussed later in this study. Today, Nigeria has a population of over 160million, 41 percent of whom are under the age of 15.

It has the largest military and the largest economy in West Africa. Geographically, the size of Nigeria is a little more than twice that of California, but its political system includes 36 state governments, 774 local governments, and over 200 ethnic groups, each with its own layers of authority and loyalty structures. By all measures, Nigeria is a dominant force in West Africa, and yet there is a notably fragile relationship between the state and its citizens. For decades, its massive oil resources have been plundered by various kleptocratic leaders, and corruption is endemic throughout the political and economic system. The average Nigerian can expect to die before they reach the age of 48, with major infectious diseases and Malaria causing many deaths in the country each year. Roughly 70 percent of the population lives on less than \$2 a day. (The Economist 2011)

Overwhelmingly negative views toward the government are common among ordinary Nigerians, and widespread grievances fuel conflict and violence that further exacerbate the challenges faced by the government. Before exploring these grievances (the focus of the next chapter in this monograph), it is first important to recognize the historical dimensions to Nigeria's contemporary security challenges.

### **Nigeria's Post-Colonial History**

The modern history of Nigeria is far too deep and complex to provide a comprehensive summary here. For the purposes of this research, only a brief post-colonial history of Nigerian politics and political violence will be reviewed here, emphasizing events which contribute to the fragile contemporary relationship between Nigeria's citizens and its government (Rowman & Littlefield 2011). When describing this relationship, an important point to make at the outset is that the country has experienced an exceptionally high number of military coups and a civil war.

Despite achieving independence over 50 years ago, peaceful democratic transfers of power are a very recent phenomenon in Nigeria. During the first years of independence in the early 1960s, regional tensions escalated between ethnic nationalities based largely on issues of political representation. Prime Minister Tafawa Balewa (1960-66) routinely imprisoned leading opposition politicians, adding fuel to the already deteriorating political situation. Violence marred the Nigerian elections of 1964, and on 15<sup>th</sup> January, 1966, a small group of army officers—mostly southeastern Igbos led by Major General Johnson Aguiyi-Ironsi—overthrew the government and assassinated Prime Minister Balewa and the premiers of the northern and western regions. The military government that assumed power was unable to quiet ethnic tensions or produce a federal constitution acceptable to all sections of the country. On 29th July of that year, a group of northern Hausa-backed army officers staged another coup, killing Ironsi and replacing him with Lieutenant Colonel Yakubu Gowon. The coup was

followed by a massacre of thousands of Igbo in the northern territories, who fled to their homelands in the southeast. These events contributed to an increasingly strong Igbo secessionist movement.

In May 1967, Gowon's administration unveiled a plan to create a new 12-state structure for Nigeria. Among the most significant changes was that the eastern region would be divided into three states, two of them dominated by non-Igbo groups, ensuring that the Igbo would not dominate the oil-rich Niger Delta region. The Igbo rejected these proposed constitutional revisions and insisted on full autonomy for the east. Then on 27th May, 1967, Lieutenant Colonel Emeka Ojukwu—the military governor of the eastern region and a leader of the Igbo secessionist movement—declared the independence of the region, which adopted as its new name the “Republic of Biafra,” and a violent civil war ensued. Biafran forces crossed the Niger River, moving west in an effort to capture Lagos, the capital of Nigeria at the time. Gowon's military drove them back, imposed a naval blockade, and launched its own invasion of northern Biafra.

Although France granted formal recognition to the independent Republic of Biafra and provided military support to the rebels, the United Kingdom backed the Nigerian federal government, and by January 1970 the Biafran revolt had been crushed and Nigerian forces declared victory in the civil war. More than 2 million Nigerians died in the conflict, which formally ended on 12 January 1970 with a declaration of surrender over Biafran radio by Major General Philip Effiong. Nigerian President Gowon announced he would remain in power for six more years to ensure a peaceful transition to democracy. However, in 1974 Gowon announced that the return to civilian rule would be postponed indefinitely. His timing was poor: high prices, chronic shortages of food and necessities, growing corruption, and the failure of the government to address several regional issues had already created a restless mood. As a result, on 29th July, 1975, Brigadier Murtala Ramat Muhammed overthrew Gowon in a bloodless coup. Muhammed moved

quickly to address issues that Gowon had avoided. He replaced corrupt state governors, purged incompetent and corrupt members of the public services, and instigated a plan to move the national capital from industrial, coastal Lagos to neglected, interior Abuja. Civilian rule, he declared, would be restored by 1979, and he began a five-stage process of transition. However, subsequent political and economic reforms made Muhammed extremely unpopular with many Nigerians, and on 13<sup>th</sup>, February, 1976, he was assassinated in a coup attempt, although his administration remained in power. His successor, Lieutenant General Olusegun Obasanjo, continued Muhammed's reforms, including the move toward civilian rule. Obasanjo also created seven new states to help redistribute wealth and began a massive reform of local government.

In 1977, he convened a constitutional assembly, which recommended replacing the British-style parliamentary system with an American-style presidential system of separate executive and legislative branches. To ensure that candidates would appeal to ethnic groups beyond their own, the president and vice president were required to win at least 25 percent of the vote in at least two-thirds of the 19 states. The new constitution took effect in 1979. The restructured administration was called Nigeria's Second Republic, and a subsequent presidential election that year was won by Shehu Shagari. For his part, Obasanjo won considerable acclaim when he became Nigeria's first military leader to voluntarily surrender power to a civilian administration in 1979.

Unfortunately, a few years later, Nigeria experienced yet another military coup. The collapse of the world oil market left Nigeria unable to pay its short-term debts, much less finance the projects to which it was committed. Eventually, the country was also unable to import essential goods. In January 1983, the government ordered the expulsion of all unskilled foreigners, claiming that immigrants who had overstayed their visas were heavily involved in crime and were taking jobs from Nigerians. In the elections of 1983, the ruling party claimed a decisive victory

over several opposition parties, while observers cited widespread instances of fraud and intimidation. Finally, on New Year's Eve 1983, army officers led by Major General Muhammadu Buhari overthrew the Shagari government in a bloodless coup. Buhari's government enjoyed widespread public support for its condemnation of economic mismanagement, of government corruption, and of the rigged 1983 elections. This support waned, however, as the government adopted a rigid program of economic austerity and instituted repressive policies that included a sweeping campaign against "indiscipline," a prohibition against discussing the country's political future, and the detention of journalists and others critical of the government.

Buhari's support withered, and in August 1985, Major General Ibrahim Babangida overthrew him, rescinded several of Buhari's most unpopular decrees, initiated a public debate on the state of the economy, and eased controls over business. These actions set the stage for negotiations with the International Monetary Fund (IMF) for aid, a new round of austerity measures, and better relations with the country's creditors. For a time, Nigeria achieved a measure of economic recovery, although with the implementation of the structural adjustment program required by the IMF and World Bank, prices of goods and services skyrocketed.(Maier 2000)

Babangida also maintained a firm grip on power, shuffling key officers from position to position to ensure they would not become too strong, and forbidding political parties. Many Nigerians were disturbed by the general's favoring of northern (Hausa) elite interests, and Babangida faced and suppressed coup attempts in 1986 and 1990. Other tensions escalated, particularly religious strife between Christians and Muslims; several states, including Kaduna, Katsina, and Kano, had severe religious riots in the early 1990s. Then the parade of coups and military rulers took a turn for the worse. In 1993, Babangida allowed for an open presidential election—the first since 1983. Moshood Abiola, a wealthy Yoruba publisher from the south, was widely believed to have won the election by a large

majority, but the northern Hausa-supported military leader Babangida annulled the vote, and the country was plunged into political turmoil. In November 1993, General Sani Abacha—the powerful secretary of defense—seized power and outlawed political activity. Abiola was later imprisoned after attempting to claim the presidency and died in prison in July 1998. The Nigerian Labor Congress, which had already held a general strike to protest the annulled election of Abiola, organized another general strike to protest Abacha's coup. Political pressure groups such as the Campaign for Democracy also stepped up protests against Abacha. In May 1994, the government announced plans for political reform and held elections for local governments and delegates for yet another constitutional conference. In October 1995, Abacha lifted the ban on political activity, promised a transfer to civilian power in 1998, and later allowed five parties to operate.

However, he continued his repression of dissidents, the most notorious instance of which was the hanging of several political activists in November 1995. During the early 1990s, playwright and prominent environmental activist (and eventual Nobel prize nominee) Ken Saro-Wiwa, led a series of protests against the Western oil operations in the Niger Delta region of Nigeria, highlighting the fact that while his tribal lands were being destroyed, the revenues from these operations were not being used to improve public services. He also founded a more radical youth movement, which reportedly engaged in sabotage against the Shell Petroleum Development Company of Nigeria (the Nigerian subsidiary of Royal Dutch/Shell, and the largest oil producer in the region).

In his writings, Saro-Wiwa criticized corruption and condemned both Shell and British Petroleum. Although Shell decided to cease operations in Ogoniland in 1993, the Nigerian government decided to arrest Saro-Wiwa and a number of his supporters in 1995. He continued writing letters from prison, some of which were published in newspapers like the *Mail* and *Guardian*, in which he wrote “The most important thing for me is that I’ve used my talents as a writer to enable the Ogoni

people to confront their tormentors. I was not able to do it as a politician or a businessman. My writing did it... I'm mentally prepared for the worst, but hopeful for the best. I think I have the moral victory."Following a brief trial—at which he was accused of murdering government supporters—Saro-Wiwa was executed along with eight other Ogoni leaders, and his body was buried in an unmarked, common grave in the eastern city of Port Harcourt. The international condemnation that followed did little harm to the government, and the foreign oil companies continued their work with little disruption. Indeed, in November 1995 Shell announced a new \$3 billion investment in Nigeria just a week after the execution of the Ogoni leaders.(Pegg 2003)

The Abacha government imprisoned many people, among whom the most prominent are former president Olusegun Obasanjo and former vice president Shehu Musa Yar'Adua (who died in prison in December 1997), while other prominent Nigerians, including Nobel laureate Wole Soyinka, fled into exile. The execution and imprisonment of opponents and other violations of human rights intensified international pressure on Abacha and resulted in Nigeria's suspension from the British Commonwealth of Nations from 1995 to 1999. Meanwhile, the number and violent ferocity of militants in the Niger Delta began to swell, a trend that would continue for the next 10 years resulting in many attacks against Nigeria's oil producing infrastructure. When Abacha died unexpectedly in 1998, the country began a rapid march toward civilian rule. His deputy, General Abdusalam Abubakar, provided interim leadership during which an open presidential election was held and won in 1999 by retired general and former president Olusegun Obasanjo. Under the leadership of Obasanjo, Nigeria began to emerge from the tyranny and corruption of the past, though the historical concentration of national power in the office of the presidency remained unchanged. He was reelected in 2003 with over 60 percent of the vote, although "irregularities" were reported among the voting in various parts of the country. In April 2004, a plot to overthrow his government was discovered and prevented.

Four military officers, led by Major Hamza al-Mustapha—the former security chief of the late military dictator Sani Abacha—and a civilian were charged with planning to assassinate President Obasanjo. Most of the officers were Hausa, a majority of whom had supported the opposition party during the 2003 elections in which Obasanjo won a second term (Blanche ,2004) According to the charges read in court, the group had been actively seeking to purchase a Stinger surface-to-air missile to be used in shooting down President Obasanjo’s helicopter. One member of the group had already prepared a draft of a speech outlining the new regime that would replace Obasanjo’s elected government.(IRIN News, 2004).

Overall, Obasanjo’s two terms in office are seen by many as a positive turning point in the country’s history. His successor, Umaru Musa Yar`Adua—a Hausa from the northern part of the country who was elected in 2008—continued many of Obasanjo’s policies, and was lauded for establishing an amnesty program as an attempt to encourage militants in the Niger Delta to hand in their weapons and enter a dialogue meant to resolve the longstanding conflict in that region. Unfortunately, Yar`Adua became ill during the second year of his term, and passed away on 5<sup>th</sup>, May, 2010. His vice president, Goodluck Jonathan—an Ijaw from the southeast of the country—was sworn in as president, and continued many policies of his predecessor. A year later, a national election for president—which independent observers declared was the most fair and honest in Nigeria’s history—was won by Jonathan, whose inauguration on 29<sup>th</sup>, May, 2011 marked the beginning of his first full term as president. However, he had a serious challenge rallying all Nigerians around a common national vision: roughly half the country did not vote for him states north of the capital Abuja voted against him, and all but one state south of it voted for him (The Economist, 2011).

The distinctions between north and south run deeper than the ethno-religious distinctions described earlier. the north has higher rates of poverty and illiteracy; the northeast, where Boko Haram and other Islamist extremist groups have taken



root, is the poorest in Nigeria. Several states there are governed by the opposition All Nigeria People's Party. The region yields little national political power and has never produced a head of state. In essence, as Alex Thurston recently observed, state legitimacy is at its weakest in the northeast. From this perspective, few observers were surprised when immediately following the election there were spurts of violence in several northern communities that had supported Muhammadu Buhari (a Muslim from the north who had briefly served as president in the mid-1980s). When the presidential results first started to leak, pro-Buhari protestors in several northern cities attacked supporters and officials of Jonathan's ruling People's Democratic Party (Thurston, 2011).

At the core of the unrest were grievances about power, as so often is the case with all kinds of political violence. After two terms of a southerner as president (Obasanjo), a northerner (Yar'Adua) had been elected, but because he died of ill health before completing his term, the northern elites felt it was still "their turn" to rule. In addition to various politicians and political offices, some protesters also targeted the traditional Muslim leadership—the Sultan of Sokoto, the Emir of Kano, and the Emir of Zaria—who were widely perceived as being on the People's Democratic Party's payroll. (Campbell & Harwood 2011) Offices, shops, and homes were burned down, and Human Rights Watch estimates at least 800 people were killed and 65,000 displaced.

According to a report by John Campbell, former U.S. ambassador to Nigeria, the security services responded violently against the protestors; some reports say they may have been responsible for many of the first deaths. However, the violence soon acquired a religious and ethnic dimension, with churches and mosques set ablaze, prompting Muslims to attack Christians and vice versa in a downward cycle of revenge killings. But the post-election bloodshed soon ended. One can only hope that a more peaceful and prosperous future for Nigerians is finally on the horizon.

## Summary

Just a short while after independence, the military intervened in the country's politics, and for the next three decades—with the exception of a brief four-year period (1979-1983)—the country was administered by the military. Nigeria experienced military coups in 1966 (twice), 1975, 1976, 1983, 1985, and 1993, as well as a bloody civil war from 1967 to 1970. The civil war, in which rebels tried but eventually failed to establish an independent state of Biafra, was fought mainly over the oil-rich area dominated by Igbo and a handful of ethnic minorities in the Niger Delta, including Ijaws, the fourth largest ethnic group in Nigeria. Following the civil war, the government used money from the north to finance oil exploration in the south, and to invest in a robust infrastructure for exporting the oil to Western markets. These and other decisions made by the central government, including the collection and distribution of oil revenues, did nothing to foster national unity, and in fact resulted in sentiments to the contrary. As Chalk recently observed, “The oil boom of the 1970s is often regarded as instrumental in driving the graft, cronyism, and social dysfunctionality that have been such an endemic feature of the contemporary Nigerian political scene.” (Chalk, 2004).

This long and tortured history derailed Nigeria from the path of liberal democracy, setting it back at least 30 years compared with other African countries that gained their independence around the same time. There remains widespread distrust among Nigerian citizens toward their government, particularly because of endemic corruption and this long history of military coups and abuses of power. As described in the next chapter of this research, distrust of the government is reinforced by a system of ethnic politics, corruption, and cronyism, a widespread lack of services, low quality education, lack of reliable electricity, and a whole array of grievances that have been covered extensively in the media and which interviewees for this study emphasized on several occasions. These grievances, in turn, lead many Nigerians to put their faith in alternative governance and economic

systems, or do what they can to get what they can from a system of central governance that they view as ineffective and untrustworthy.

## **4.2 History of Terrorism**

Terrorism has existed for at least 2,000 years and is likely to remain a fixture on political agendas, both domestic and international, for years to come. Historically, the first known acts of what we now call terrorism were perpetrated by a radical offshoot of the Zealots, a Jewish sect active in Judea during the 1st century AD. The Zealots resisted the Roman Empire's rule of what is today Israel through a determined campaign primarily involving assassination. Zealot fighters used the sica, a primitive dagger, to attack their enemies in broad daylight, often in crowded market places or on feast days—essentially wherever there were people to witness the violence. The Jewish zealots used terrorism to resist the Romans by killing many Roman soldiers and destroying Roman property. Between 1090 and 1272, an Islamic movement known as the Assassins used similar tactics in their struggle against the Christian Crusaders who had invaded what is today part of Syria.

The Assassins embraced the same notions of self-sacrifice and suicidal martyrdom evident in some Islamic terrorist groups today. They regarded violence as a sacramental or divine act that ensured its perpetrators would ascend to a glorious heaven should they perish during the task (Rapport,1984). Until the French Revolution (1789-1799), religion provided the main justification for the use of terrorism. This situation changed, however, as nationalism, anarchism, Marxism and other secular political movements emerged during the 1800s to challenge divine rule by monarchs. Modern terrorism was initially antimonarchical, embraced by rebels and constitutionalists during the late stages of the French Revolution and in Russia by the People's Will (Hoffman,1998). In the 18th century, the word terrorism was first used in France to describe a new system of government adopted

during the French Revolution (1789-1799). During this period, Maximilien Robespierre of France introduced government sponsored terrorism in order to maintain power and suppress opposition to the government. The regime de la terreur (Reign of Terror) was intended to promote democracy and popular rule by ridding the revolution of its enemies and thereby purifying it. However, the oppression and violent excesses of the terror transformed it into a feared instrument of the state (Hoffman, 1998). From that time on, terrorism has had a decidedly negative connotation. Meanwhile, the word, did not gain wider popularity until the early 20th century when it was adopted by a group of Russian revolutionaries during the Soviet Revolution in 1917 to describe their violent struggle against tsarist rule. Thus, Lenin and Stalin, evolved government sponsored terrorism as a useful tool to maintain government control. These two important personalities systematically used the act of terrorism to intimidate and frighten the entire society. According to them, both terror and fear were veritable instruments for governmental operations (Danjibo, 2009).

During the 1920s and 1930s, terrorism became associated more with the repressive practices employed by dictatorial states than with the violence of non-state groups like the anarchists. The word terrorism was used to describe the wanton violence and intimidation inflicted by the Nazi, fascist, and totalitarian regimes that respectively came to power in Germany, Italy, and the Soviet Union. The repressive means these governments employed against their citizens involved beatings, unlawful detentions, torture, so-called death squads (often consisting of off-duty or plain-clothes security or police officers), and other forms of intimidation. Such practices by governments against their own citizens continue today. Recent history records the use of such measures by the military dictatorships that took power in Argentina, Chile, and Greece during the 1970s. But these state-sanctioned acts of violence are more generally termed terror to distinguish them from violence committed by non-state entities (Encarta, 2009). The modern

terrorism especially right from the late 1960s, 1970s, 1980s and up till the 1990s has taken different trends and dimensions. It is therefore important to briefly examine these trends and dimensions with a view to discussing its situation in Nigeria. Basically, there are about three main trends in modern terrorism.

First, it is loosely organised, self-financed and internationalised network of terrorists. Another trend in terrorism is that which is religiously or ideologically-motivated. For instance, radical and fundamentalist group, or groups use religion as platform to pose terrorist threats of varying kinds to many nations' interests (Ojukwu, 2011). A third trend in modern terrorism is the apparent growth of cross-national links among different terrorist organizations which may involve combinations of military training or funding, technology transfer or political advice. In fact, looming over the entire issue of international terrorism is a trend toward proliferation of Weapons of Mass Destruction (WMD). For instance, the Republic of Iran, seen as the most active state sponsor of terrorism, has been aggressively seeking a nuclear arms capability. Iraq under Saddam Hussein was thought to be stockpiling nuclear weapons chemical and biological. North Korea recently admitted to having a clandestine program for uranium enrichment. Also, there are unconfirmed indications that the Al Qaeda organization attempted to acquire chemical, biological, and radiological and nuclear weapons before the death of Osama Bin Laden (Bagaji A.S.Y, 2011).

Modern terrorism equally has some dimensions. Prominent among the dimensions of terrorism include, state-bound; non-state terrorism and terrorism across national boundaries. The state-bound terrorism deals with the orchestrated and aided by states. This dimension of terrorism could be in the form of intimidation, selective political assassination, abduction and kidnapping. Examples of this dimension include the ethnic cleansing and genocidal activities the Nazi regime carried out against the Jewish population between 1939 and 1945, and the Stalinist purge of the peasant class of Kulaks in Ukraine that led to the death of millions of civilians

carried out by individuals or groups who feel it is no longer worth it to accomplish political objectives within the law, a law which to them represents the power of an immoral and or illegitimate regime or government. These individuals are contemptuous of the society's political institutions and practices (Slann, 1998). A good example of non-state dimension of terrorism was the Maitatsine activities in the 1980s as well as the on-going Boko Haram attack in Nigeria. A number of factors were said to be responsible for the non-state terrorism. These include relative deprivation- asymmetrical allocation or distribution of public resources, poverty, political frustration and religious intolerance or fanaticism (Adeniran, 1996; Ojukwu, 2011). The third dimension of terrorism is across national boundaries. This dimension has external and international connections. A vivid example of this dimension of terrorism is Al Qaeda, whose activities are mostly drawn on external factors (Ojukwu, 2011).

#### **4.3The Historical Development of Terrorism in Nigeria**

In his very fecund and articulate insight on the historical development Of terrorism in Nigeria, Okafor (2011) avers that the foundation for armed insurrection (and later terrorism) against the Nigerian state was laid when Isaac Adaka Boro, an Ijaw nationalist led an armed campaign for greater Niger Delta autonomy, resource control and self-determination for the inhabitants of the Niger Delta. Okafor (2011) argued that as the founder and leader of the Niger Delta Volunteer Force (NDVF), an armed militia consisting members from his fellow Ijaw ethnic group, Isaac Bora rose to address what he saw as the marginalisation and deprecation of his people and their economic interests by the Nigerian state.

On February 23, 1966, mobilising a force of 150 recruits, who were trained in the use of firearms and explosives, he and his men attacked a police station, raided the armory and kidnapped some police officers, including the officer in charge of the police station. They blew up pipelines, engaged the police in a gunfight, and declared the Niger Delta an independent republic. Although the revolt was

successfully quashed and Bora was jailed for treason, that effort of his and the NDVF willy-nilly laid the foundation for armed resistance against government's highhandedness in the region and in others, many years to come. Then came Kenule Beeson Saro-Wiwa (popularly known as Ken Saro-Wiwa), his compatriots, who formed the Movement for the Survival of the Ogoni People (MOSOP), which advocated for the rights of the Ogoni people, demanding increased autonomy for the Niger Delta region, a fair share of the proceeds of oil extraction, and remediation of environmental damage to their lands. He was successful in drawing global attention to their cause through his peaceful non-violent measures until 1995 when the government of Abacha sentenced him to death for a crime he was purportedly accused of committing. The killing of Saro-Wiwa in November 1995 became the turning point in the politics of the Niger Delta (Ogundiya, 2009).

Then rose ethnic militias who confronted what they saw as the high-handed and despotic leadership style of the Abacha junta and flourished during the Abacha years (1993-1998). As Douglas, Kemedi, Okonta & Watts (2004) noted, in the Abacha years, Nigerians experienced the most severe political repression and economic hardship in the country's history. Douglas *et al.*, (2004) brilliantly chronicle the emergence of ethnic militias in that era. The O'odua People's Congress (OPC) was established in the Yoruba-speaking southwest in 1994 largely to protest the annulment of the 1993 elections in which Moshood Abiola, a Yoruba Muslim, had seemingly won the presidency. Led by mostly disenchanted Yoruba youth and supported by some of the Yoruba elite, the organization claimed that a "northern cabal" in the Army had denied Abiola victory and aggressively pressed for Yoruba political autonomy. Two vigilante groups, the Bakassi Boys and Movement for the Actualisation of the Sovereign State of Biafra (MASSOB), emerged in the Igbo-speaking southeast two years later. MASSOB claimed that the Nigerian state and its functionaries had systematically oppressed the Igbo since the end of the civil war and sought to secure self-determination by resuscitating the

Republic of Biafra, whose bid to secede from the Federation was crushed by Nigerian troops in 1970.

The Arewa People's Congress (APC) emerged in the north in 1999 as a reaction to the killing of northern elements in Lagos and other Yoruba cities and towns by OPC cadres, and as a foil to the new Obasanjo government which many northerners viewed as a "Yoruba regime". The APC claimed that the harassment of northerners in the southwest was part of a Yoruba plan to secede and establish an "Oodua Republic," and that President Obasanjo was sympathetic to it. The group threatened to go to war if necessary to prevent national dismemberment. These and other ethnic militias heated up the polity by seeking to protect the interests of their ethnic constituencies, employed jungle justice to fight their real and perceived enemies and played sectional roles in the political life of the nation as party thugs, enforcers, and champions of local interests.

While these ethnic militias were contained by the democratic government of President Olusegun Obasanjo, the next phase of engagement with government by disenchanted Niger Delta youths was spearheaded by Niger Delta militants who unleashed violent attacks and bombings of oil installations, kidnapping, hostage taking and assault to press home their demands. The "judicial murder" of Ken Saro Wiwa, their worthy ambassador and mediator, had created a leadership vacuum which over 150 militant ethnic groups scrambled to fill. The actions of these militants earned them such titles as terrorists, criminals, ethnic militias, rebels, freedom fighters, insurgents, revolutionaries and political agitators (Adejumobi & Aderemi, 2002), while some scholars believed the Niger Delta militants employed terrorist strategies in the pursuit of their grievances which constituted serious threats to the nation's economy, human and national security and qualified Nigeria as one of the world's terrorist trouble spots (Ogundiya, 2009). The rise of Boko Haram terrorists in Northern Nigeria paled into insignificance the insurgent and terrorist activities of the Niger Delta militants even though the emergence of the



sect had been predated by similar uprisings in the past in the northern region. The Boko Haram-styled terror acts took on a more virulent, sophisticated and religious dimension. In his erudite treatise, Adesoji (2010) traced the evolution of the crisis to the Maitatsine uprisings of 1980 in Kano, 1982 in Kaduna and Bulumkutu, 1984 in Yola and 1985 in Bauchi.

These were the first attempts to impose a religious ideology on a secular, independent Nigeria, and marked the beginning of ferocious post-independence conflict and crises in that region (Ibrahim, 1997; Isichei, 1987). Following the Maitatsine crises, or Interspersing them, were several other crises such as the Kano metropolitan riot of October 1982, the Ilorin riot of March 1986, the University of Ibadan crisis of May 1986, the nationwide crisis over Nigeria's membership in the Organisation of the Islamic Conference in January/February 1986, the Kafanchan/Kaduna/ Zaria/Funtua religious riots of March 1987, the Kaduna Polytechnic riot of March 1988, the acrimonious nationwide debate on Sharia (Islamic law) at the Constituent Assembly in October/November 1988, the Bayero University crisis of 1989, the Bauchi/Katsina riots of March/ April 1991, the Kano riot of October 1991, the ZangonKataf riot of May 1992, the Kano civil disturbance of December 1991 and the Jos crisis of April 1994 (Ibrahim 1997; Imo 1995; Imhonopi & Urim, 2512; Enwerem 1999).

As some scholars observed, between 1999 and 2008, 28 other conflicts were reported, the most prominent being the Shagamu conflict of July 1999 and the recurrent Jos crises between 2001-2008 (Akaeze, 2009; Omipidan, 2009). The Jos crisis recurred in January 2010 and has become recurrent till date. According to Imhonopi & Urim (2012), virtually all these crises, many of which took a violent turn, have been explained or justified by one reason or the other. Where the crisis was not borne out of the need to curb the excesses of some groups, prevent them from being a security threat, or contain their spread, as was the case with the

Maitatsine riots (Albert, 1999; Ladan, 1999), it arose out of the proselytization drive by one religious group and the resistance by another religious group of its perceived stronghold. This was the case with the Kano riot of 1991 during which Muslims complained of preferential treatment in the approval of conduct of a religious crusade by Christians and the use of Kano Race Course earlier not approved for Muslims to hold a similar programme (Albert, 1999; Williams, 1997). In some other instances, it was the seemingly unresolved indigene-settler problem that was at its root. The Zangon-Kataf riots and the recurrent Jos crises fall into this category (Human Rights Watch, 2005; Ibrahim, 1998; Nwosu, 1996; Uchendu, 2004; Williams, 1999).

While these crises have all been subsumed under religion and explained by even some authors as religious factors, it is apparent that other extraneous and underlying factors like economic disequilibrium/inequality, envy, poverty among youths (who easily become willing tools in the hand of barons), and the unhealthy contest for political offices have all played parts in accentuating them (Human Rights Watch, 2005; Ibrahim, 1997; Sulaiman, 2008). It seems all ethno-religious crises have behind them a perceived domination by supposedly external or illegitimate groups (Ibrahim 1998; Ladan 1999). Specifically, the Maitatsine uprisings, to which those of Boko Haram compared in terms of philosophy and objectives, organisational planning, armed resistance and modus operandi, have generally been explained by a combination of factors like economic dislocation, deprivation, and income inequalities, as well as poverty aided by local disasters like drought and a rinderpest (cattle plague) pandemic, all with links to Islam. Significantly, many of the explanations offered for the outbreak of the Maitatsine uprisings in the 1980s are relevant to the Boko Haram uprising.

The Boko Haram sect has shown itself to be a radical Islamic fundamentalist organisation that seems to hate the West and everything Western. Boko Haram translates to "western education is a sin" and its members follow a strict interpretation of the Koran. The sect is built on an Islamic faith that its members

consider as the panacea for the country's endemic moral, social, political, and economic problems; hence, their determination to fight for the establishment of an Islamic state to be ruled on the basis of the "Sharia" (Imhonopi & Urim, 2012). This doctrinal foundation makes the Boko Haram similar to other terrorist groups whose cause is entwined in and driven by Islamic fundamentalism, especially Al Qaeda. Followers of such groups are a menace to society, especially in situations where their target is a secular state which supports without let or hindrance, the co-existence of multiple religious sects. Their attempt to impose their will on adherents of other religions certainly leads to disaster.

Even in Northern Nigeria where Sharia law has already taken root, Boko Haram terror messengers believe they can only achieve their version of extremist Islamic rule by overthrowing the Federal Government of Nigeria.. These groups want people to believe that: the West, led by the United States of America, is engaged in the systematic exploitation and repression of Muslims; governments in Muslim majority countries are illegitimate, corrupt and un-Islamic; the solution is the removal of Western interference in Muslim majority countries and the establishment of "truly Islamic" systems of governance; and it is the religious duty of all Muslims individually to use violence to attack the political, military, religious and cultural enemies of Islam anywhere around the world. In his lucid observation,

Adesoji (2010) argues that while the Boko Haram uprising was not the first forcible attempt to impose a religious ideology on a secular Nigerian society, it was very well the first major attempt and subsequent small-scale attempts to widen the scope of Islamic revivalism and escalate the use of terror and violence, including suicide terrorism, in expressing grievances against the state. Adesoji adds that despite the brutal suppression of previous attempts, the gallantry of the Boko Haram soldiers to recuperate, the spread and swiftness of its military organisation, and the belief of its leadership, and perhaps its membership, that it could successfully engage a modern state in a military duel all show an

extraordinary commitment to their cause. It is evident that the Boko Haram terrorist organisation has adopted an Al-Qaeda-styled terrorist strategy which is decentralised, elusive and difficult to neutralise as the group's terror performances have repeatedly revealed the shortcomings of the Nigerian security forces. It is expected that the present emergency declaration in Bauchi, Yobe and Borno, three states in the northeast of Nigeria to neutralise the stronghold the sect has within the zone and region will be successful and result in a united Nigeria with better ethnic relations in the years to come.

#### **4.4 Terrorism and The Emergence of Boko Haram in Nigeria**

It is important to state from the outset that an attempt to forcefully impose religious ideology or belief on the Nigerian society since her independence in 1960 especially in the Northern part is not new. The first major attempt in the postcolonial period was led by the leader of the Maitatsine sectarian group in 1980s and eventually led to large scale uprisings. Thus, it can therefore be said that the emergence of this dreaded Islamic sect popularly known as the Boko Haram had its root and inspiration from colonial period as well as from the “Maitatsine” uprisings of the early 1980s in particular. Although Boko Haram could be compared in terms of philosophy or ideology and objectives to the Maitatsine sectarian group, its organizational planning, armed resistance, and modus operandi is Taliban (Danjibo, 2009).

During the colonial era, a revolutionary Mahdism which received little elite support but attracted “radical clerics” disgruntled peasants and fugitive slaves sought unsuccessfully to overthrow the British colonial regime which controlled the Sokoto Caliphate founded after the jihad of Usman Dan Fodio. With stark resonance to today, northern Muslim elites made a pact with the British colonialists that they would rule indirectly in return for British education not being imposed on the protectorate (Dearn, 2011). The Maitatsine uprisings of the early 1980s, inspired by Cameroonian dissident preacher Muhammadu Marwa, catalyzed by

massive socioeconomic inequality and, following on from constitutional debates in 1977 which polarized the country, were the first incidence of Islamic fundamentalist agitation against the secular state. At around the same time, two other Islamic fundamentalist groups emerged, Jama'atu Izalatil Bidi'a Wa'iqamatic Sunna ("Society of Removal of Innovation and Reestablishment of the Sunna"), founded 1978 in Jos and known as "Izala", and the Islamic Movement of Nigeria, a Shiite movement led by Sheikh Ibrahim El-Zakzaky, funded by Iran and in which Yusuf was thought to be a "major player" - exactly how and when Yusuf was involved and how this related to his links with Sheikh Jafar is unclear (Dearn, 2011). Though some people have argued that both groups have been associated with Boko Haram's modern incarnation, there is no substantial evidence to justify this.

In 2009, the Islamic Movement of Nigeria rebutted claims that El-Zakzaky was the founder of Boko Haram, arguing it could never be so against Western education when it owns 300 schools in Nigeria which teach a mixture of Islamic and Western education. Izala threatened legal action against publishers of pictures of its members labelled as Boko Haram foot soldiers. What is clear is that the combination of constitutional debates in the 1970s, military rule under successive despots – including the jailing of El-Zakzaky by Sani Abacha's regime entrenched poverty in the areas where such groups are active and have been grist to the fundamentalists' mill (Dearn, 2011).

The time that this Islamic militant group emerged in the country is yet unknown. There were series of conflicting reports on their emergence in the northern part of the country. Information at the disposal of the different security agencies pieced together by Sunday Tribune of 12th February, 2012 indicated that contrary to the widely-held belief that the Boko Haram started around 2003, the group has been existing since 1995. It was, however, confirmed that the entry of slain Mallam Mohammed Yusuf successfully radicalized the group and opened it to foreign collaboration, especially with the Al-Qaeda in Islamic Maghreb (AQIM). Details

obtained by investigators revealed that the Jama'atul Ahlus Sunnah Lidda'awati Wal Jihad (Brethren united in the pursuit of holy war), also known as Boko Haram, started off its activism in 2001, under the leadership of the late Yusuf. From that year, the group had intensified its propagation of an extreme Islamic doctrine, which sees Western education and democracy as corruptive and immoral (Sunday Tribune, 2012). In 1995, the group was said to be operating under the name Shabaab, Muslim Youth Organization. It operated from the Indimi Mosque, located along Damboa Road, Maiduguri, Borno State and had one Mallam Lawal as leader and another Mallam Usman as secretary. It was learnt that in 1999, Lawal left Nigeria for further studies at the University of Medina, Saudi Arabia, thereby yielding the leadership of the group to the man known as Mustapha Modu Jon, commonly called Mohammed Yusuf. Yusuf's leadership was said to have opened the group to political influences and increased popularity. Although Yusuf's religious activism was linked to Kano, where he had brushes with popular Islamic clerics, he was said to have laid the foundation for the growth of the organisation. Details about the late Yusuf, however, indicated that, first, he was a favourite student of prominent Nigerian Islamic scholar Sheikh Jafar Mahmud Adam and hailed from Gingir village in Jakusko Local Government Area of Yobe State. He was born on 29th January, 1970, married four wives and had 12 children. By year 2000, Yusuf had won the respect and confidence of some clerics and youths at Indimi Mosque. He started presiding over some mosque activities and along the line; he upstaged all the teachers to emerge a leader. Many youths who followed him saw the older clerics as secular and anti-Sharia. According to the report, majority of his followers were largely illiterate youths who engaged in petty trading or had dropped out of school (Danjibo, 2009).

As time went on, Yusuf then established his own mosque in an area called Railway Quarters in Maiduguri, while also extending his preaching to the mosques located at Kandahar, Unguwar Doki (near Monday Market) and Millionaire's Quarters. Investigators were also told that by early 2004, the Islamic sect had grown in states

of presence with Borno, Yobe and Bauchi being notable and that some of the converted youths abandoned their studies to join the group. The ready-made army of followers were, however, said to be the Almajiri. It was after 2004 that the sect leaders were said to have established links with the Algerian Salafist Group, now known as Al-Qaeda in Islamic Magreb, (AQIM), which gave them training on combat and use of Improvised Explosive Devices (IEDs). From trainings acquired in AQIM, it was gathered that members of Boko Haram were able to show dexterity in handling of weapons and manufacture of what is called “dirty bombs” through IEDs (Danjibo, 2009, Nigerian Tribune 30, January, 2012)

It was reported that many Islamists were not satisfied by the adoption of Sharia law in 12 northern states between 1999 and 2001. They believed that its introduction has been watered down. It was also perceived by these Islamic fundamentalists that an imported system of government based on “Western values” has resulted in ostensible corruption, poverty, unemployment and the continued suppression of “true” Islam in northern part of the country (Danjibo, 2009). Therefore, the best approach to understand the ideology and philosophy of the movement is by explaining the two key words- Boko and Haram. In Hausa language, the word ‘boko’ is an equivocal term which means book, Western or foreign; while the word ‘haram’ is an Arabic derivative meaning ‘forbidden, ungodly, or sinful’ (Danjibo, 2009.; Adesoji, 2010.).

If the words are literally pieced together book haram means book is sinful. But its deeper meaning is that, forbid everything Western and Western education- Western education is sinful, sacrilegious or ungodly and should therefore be forbidden (Danjibo, 2009; Adesoji, 2010). What can be drawn make from the above is that, the movement is not only characteristically opposed, but outrightly rejects Western education, Western culture and modern science. Alternatively, it embraces and advocates the propagation of and strict adherence to Islam by all and sundry regardless of anyone’s personal wishes. In line with this objective, the movement

seeks to impose Sharia across all Nigerian states (Bumah, 2009). The former leader, Mohammed Yusuf said education “spoils the belief in one God”. The sect – full name Jama'atu Ahlis Sunna Lidda'awati wal-Jihad ("People Committed to the Propagation of the Prophet's Teachings and Jihad") – seeks to create an Islamic state governed by Sharia law in Nigeria by, seemingly, whatever means it has at its disposal and at whatever human cost it deems necessary (Bumah, 2009). The intent of the movement is aimed at replacing modern state formation with the traditional Islamic state, because Western values run contrary to Islamic values. Umma Mahammadiya- Muslim faithful and Dar-ul-Islam- Islamic community cannot be compromised in the face of Western influence in the Nigerian secular society.

Therefore, the moral decadence and evil in the society is as a result of the embrace of Western civilization, and thus, in order to curb such evil, an Islamic society must be entrenched by destroying modern political institutions and infrastructures. The philosophy goes hand in hand with the entrenchment of the Shari'a law in the society. The embedded philosophy of the Boko Haram movement can be inferred to explain the reason why police and armed forces formations, government establishments and properties are the target of destruction by the movement. In addition, it is also an ideological belief of the movement that, any member who fight and die- either by suicide bombing in the process of establishing a Sharia state by destroying modern state formation and government establishment would automatically go to Aljanna- paradise or heaven (Danjibo, 2009).

One could then understand why the movement has large and committed followers among the Almajiris- Qur'an trainees who depend on their Mallam (teacher) for knowledge, inspiration and their daily survival. The ideology and philosophy of Boko Haram movement was aptly captured by Tell Magazine thus: The mission of the sect was to establish an Islamic state where orthodox Islam is practised.

Orthodox Islam according to him (Yusuf Mohammed, leader of the sect) frowns at Western education and working in the civil service because it is sinful. Hence, for



their aim to be achieved, all institutions represented by government including security agencies like the police, the military and other uniformed personnel should be crushed (Tell, 10th August, 2009, p. 34).

Another major issue about this Islamic sect has to do with the strategy being employed in carrying out its activities which have taken series of dimensions since its emergence. This development has made a number of scholars and stakeholders in the country as well as international community to conclude that the sect has different kinds of support from known terrorist nations of the world. First, the modus operandi of the Boko Haram movement, which has been fashioned after the Taliban in Afghanistan, has made some to conclude that the sect must have sent its members to Afghanistan, Lebanon, Pakistan, Iraq, Mauritania, Algeria for training. Other argued it could be that the Boko Haram modelled itself after the Taliban simply to acknowledge its source of inspiration. Some equally said that it was meant to attract sympathy and support from the Taliban or related groups. Another view was that, it could also be that the links actually exist.

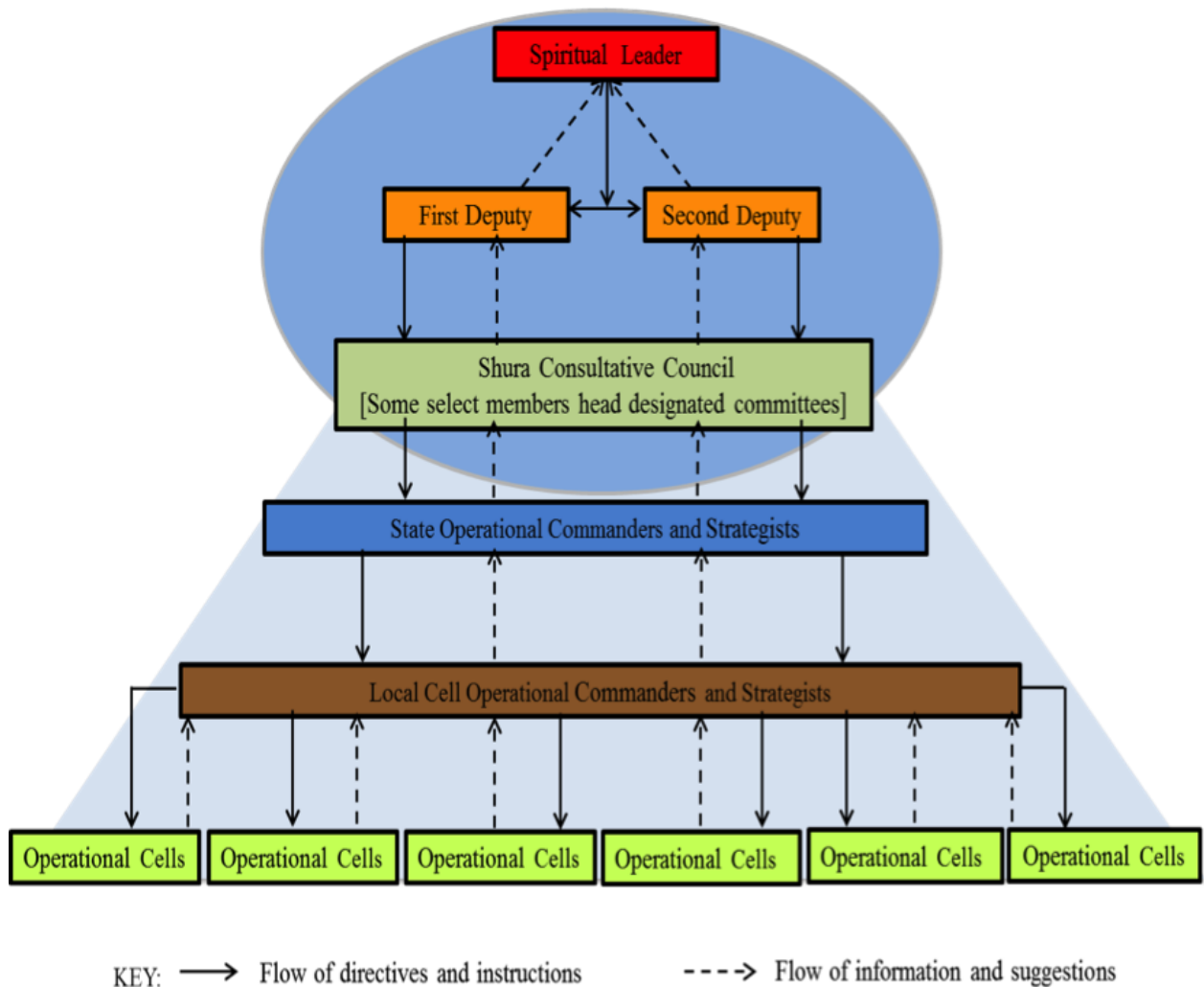
For instance, the Operation Sawdust that was carried out in 2005 by the military and the police and which covered North-East geo-political zones of Borno, Bauchi and Yobe, led to the arrest of some Islamic fundamentalists whose activities posed a threat to the security of the Nigerian state. Among those arrested was Yusuf Mohammed, the leader of the Boko Haram movement. These arrests provided the first clues about the links between Boko Haram and the Al-Qaeda terrorist group as those arrested along with Yusuf Mohammed revealed they had been trained in the act of terrorism in Afghanistan, Lebanon, Pakistan and Iraq. Items recovered during the operation included maps and diagrams of government establishments and of some directions to specific government buildings in Abuja (Tell, 17th August, 2009, p. 69; Danjibo, 2009, p.15). Recent reports in the Nigerian and foreign press about the activities of such groups as the Salafist Group for Preaching and Combat (SGPC) in Algeria, Tablighi clerics from Pakistan, and Wahabist missionaries from Saudi Arabia in Northern Nigeria, as well as the report of the

training of some fundamentalists in Al-Qaeda camps in some foreign countries, offer proof of Boko Haram's links with fundamentalist groups around the world are to certain extent true (Adesoji, 2010). It is abundantly clear from the available evidence that the sect is against anything that has to do with western values in the country in general and northern part in particular. This could be seen in a large number of attacks being unleashed on the Nigerian State with a view to achieving their objectives.

Boko Haram considers western influence on Islamic society, particularly western education, as the basis of the religion's weakness. Its ideology is rooted in Salafi jihadism, and driven by Takfirism. Salafism, for instance, seeks to purge Islam of outside influences and strives for a return to the Islam practiced by the 'pious ancestors', that is, Muhammad and the early Islamic community. Salafist Jihadism is one specific interpretation of Salafism which extols the use of violence to bring about such radical change. Adding to the Salafi Jihadi ideological strain is Takfirism. At the core of Takfirism is the Arabic word takfir—pronouncing an action or an individual un-Islamic. Takfirism classifies all non-practising Muslims as 'kafirs' (infidels) and calls upon its adherents to abandon existing Muslim societies, settle in isolated communities and fight all Muslim infidels. BH adherents are motivated by the conviction that the Nigerian state is a cesspit of social vices, thus 'the best thing for a devout Muslim to do was to 'migrate' from the morally bankrupt society to a secluded place and establish an ideal Islamic society devoid of political corruption and moral deprivation'. Non-members were therefore considered as kuffar (disbelievers; those who deny the truth) or fasiqun (wrong-doers), making such individual or group a legitimate target of attack by the sect. Its ideological mission is to overthrow the secular Nigerian state and impose its own interpretation of Islamic Sharia law in the country.

Boko Haram was led by Ustaz Mohammed Yusuf until his death just after the July 2009 uprising. Before his death, Muhammad Yusuf was the Commander in Chief (Amir ul-Aam) or leader of the sect, and had two deputies (Na'ib Amir ul-Aam I &

II). Each state where they existed had its own Amir (commander/leader), and each local government area where they operated also had an Amir. They also organised themselves according to various roles, such as soldiers and police, among others. In the aftermath of Yusuf's death, one of his deputies, Abubakar Shekau, became the new spiritual leader of the sect. Abubakar Shekau inherited, if not modified, the organisational structure of the sect (figure 1). Under Shekau, the sect maintains a loose command-and-control structure, which allows it to operate autonomously. It now operates in some sort of cells and units that are interlinked, but generally, they take directives from one commander. Abubakar Shekau heads the Shura Consultative Council that has authorised the increasingly sophisticated attacks by various cells of the sect since the July 2009 revolt.



*Figure 1: Hypothetical Organisational Structure of the BH under Abubakar Shehau*

#### **4.5 Factors Leading to the Emergence of Boko Haram**

##### **□ The Al-Qaeda/Maghreb/Al-Shabaab Connection:**

The United Nations report was quoted to have linked Boko Haram with Al Qaeda Islamic movement (AQIM) in the Maghreb region (Nossiter, 2012). According to the report, some of the AQIM members from Nigeria and Chad had received training in Al Qaeda camps in Mali during the summer of 2011. In 2006, Al Qaeda was reported to be moving its activities to Africa. This was appreciated from the submission of Abu Azzam al-Ansari as quoted by Radin (2012) that “there is no

doubt that Al-Qaeda and the holy warriors appreciate the significance of African regions for the military campaigns against the crusaders”. The Emir of Al-Qaeda in the Islamic Maghreb was equally reported by the same writer to have promised to provide Boko Haram with weapons, training and other support in order to expand its reach into Sub-Saharan Africa not only to gain “strategic depth” but also to “defend Muslims in Nigeria and stop the advance of a minority crusaders”. Johnson (2011) even reported a kind of synchronized coordination between the Boko Haram, AQIM and Somalia’s Al-Shabaab as he observed the groups focusing on suicide bombing activities and contacting the outside terrorists with an intention to relate with one another in a coordinated efforts to become a potential threat to United States and its allies. This explained the suicide bombing of United Nations House in Nigeria in August, 2011 by Boko Haram.

#### □ **The Almajiri Factor:**

Adetoro (2010) had earlier warned that the Almajirai system of education (Quranic education combined with alms begging by boys of ages 7 to 15 in Northern Nigeria under half – baked Mallams) could become a potential threat to Nigeria’s national security if it is not harmonized with the Universal Basic Education programme in the country. It would be recalled that many of the Almajiris were immigrants from neighbouring countries of Niger and Chad republics. The Almajiris are so numerous to the extent that as many as 4,000 of such students could be in the command of one Muslim cleric (Mohammed, 2011), and when they march on the street, they look more like army of thugs. The preponderant influx of the Almajiris to northern Nigeria was therefore supported by over 1,500 unpoliced Nigerian borders with Niger and Chad republic (Fayemi, 2011). Citing Sigmund Freud psychoanalysis theory, Obioha (2009) asserts that a child that grows under the concept of Almajiri is likely to become maladjusted because according to Adetoro (2010), they are usually exposed to different forms of pressure, problems, hunger and odd jobs that are above their age. According to Shettima (2009), the Almajiris

are all over the streets, very dirty, hungry, thirsty and often cause traffic hazards with calabash in their hands for alms begging. Consequently, the Almajiris can be seen as the neglected, rejected and schizophrenic maladjusted youngs of Northern Nigeria that are usually with violent aggression, willing to become Boko Haram suicide bombers on a platter of frivolous promises. As a matter of fact, the federal government of Nigeria had to raise an alarm in the Vanguard Newspaper of 24<sup>th</sup> February, 2012 that the Boko Haram sect were already infiltrating some northern islamic centres by indoctrinating and recruiting young pupils (the Almajiris) to expand its membership with a view to distort their mindset against the state and constitutional values. Consequently as reported in the Saturday Tribune of 14th July, 2012, a 15year suicide-bomber (An Almajiri) attacked the Maiduguri central mosque to detonate his bomb which killed ten people with the narrow escape of the Emir of Borno and the Borno State Deputy Speaker (Bwala, 2012).

#### □ **The Poverty Theory:**

Nigeria with more than 160 million people and nearly 350 ethnic groups, speaking 250 languages with about 50 percent Muslim, 40 percent Christian and 10 percent indigenous sects (Johnson, 2011) is very poor. According to Kester (2012), Nigeria currently ranks 158 out of 177 poor economies on the Human Development Index (HDI, 2008), despite her rich cultural endowment and abundant human and natural resources. He further quoted the International Fund for Agricultural Development (IFAD, 2007) that despite Nigeria's plentiful resources and oil wealth, poverty is widespread to the extent that the country is ranked one of the 20 poorest countries in the world. Indeed, over 70 percent of the population is classified as poor, with 35 percent living in absolute poverty (Kester, 2012). The irony of poverty levels in Nigeria is that it portrays a tale of several countries with regional disparities. According to Omoh (2012), poverty levels are higher in the Boko Haram infected regions of the North-East, North-West and North-Central areas of Nigeria. Over 70 percent of the people in the North-West (areas of Kano, Zamfara, kebbi and

Sokoto) are absolutely poor with less than 1 dollar income per day as against about 50 percent in that categories in the South-West (areas of Lagos, Ibadan, Osogbo). Equally, more than 65 percent of the people living in the North-East (areas of Maiduguri, Bauchi, Jos, Damaturu and Gombe) are absolutely poor with less than 1 dollar income per day as against about 55 percent in that categories in the South – South (areas of Benin City, Port Harcourt, Uyo and Asaba). Even Tsokar (2012), in the Guardian Newspaper of 14th February, 2012 quoted Dr Yomi Kale (The Statistician General of Nigeria's Federation) as acknowledging the fact that the North West and the North East (the most rampaging Boko Haram areas) are the two regions of the country most affected by poverty. It must even be noted that the worsening poverty level of Nigerians has been systematic, from 17.1 million people out of a population of 65 million in 1980, to 39.2 million people out of 91.5 million in 1992 and 112.47 million people out of a total population of 150 million in 2010 (Omoh, 2012). So, it may not be far from the truth to say that Boko Haram insurgency has been aggravated by systemic worsening and intolerable level of poverty in Nigeria.

#### □ **The Corruption Theory:**

The worsening intolerable level of poverty in Nigeria is caused by reckless high-level of corruption in the country. As rightly asserted by Adetoro (2012), corruption has eaten-deep into the fabrics of the Nigerian society as the country was ranked as the 90th most corrupt nation in the world in 2001 (the Transparency International Corruption Index, 2001). Virtually all the Nigerian ministries and agencies are enmeshed in corrupt practices with the police ranked as the most corrupt among them (Adetoro, 2012). This explains why the Boko Haram insurgency is equally aggravated by law enforcement agencies' complicity. According to the Saturday Punch of 25th February, 2012, the Nigerian General

Inspector of Police and a Deputy Commissioner of Police had to be dismissed for negligence and conspiracy in the escape of one of the arrested leaders of Boko Haram. Even when it was reported that the explosives being used by the Boko Haram sects were stolen from some quarries' warehouse in Sokoto, Borno, Bauchi and Gombe States in northern Nigeria; the security men on duties were found culpable and the matters were not reported to the police (Adisa, 2012).

Johnson (2011) equally reported that hundreds of extra –judicial killings and illegal public executions of Boko Haram sects by the Nigerian police as shown on the Al - Jazeera television were allowed to "go uninvestigated and unpunished" as reported by Amnesty International. It was in the pool of this injustice and pervasive corruption by the police against the Boko Haram that Utebor (2012) reported that a two-term former Head of State and President of Nigeria (General Olusegun Obasanjo) tagged the National Assembly political office holders as „rogues and armed robbers" due to their corrupt impetus especially in the current oil scandal in Nigeria. This corroborates the earlier allegation of the Nigerian Central Bank Governor against Nigerian political office holders (who are less than 1% of the total population) for appropriating more than 25 percent of the national budgets to themselves (Sanusi, 2010). Consequently, it is logical to state that the reckless-popularity of corruption in Nigeria created the platform for Boko Haram's agitation for sharia law in the country.

#### □ **Political Alienation Theory:**

Agitations of political discomfort and imbalance from the Nigeria's northern elites are very fervent especially since the death of former President Umar Musa Yara'dua. According to Johnson (2011), many northern Nigerians view the presidency of Goodluck Jonathan, a Christian, as illegitimate arguing that it ignored the ruling party's (Peoples Democratic Party – PDP) informal power rotation which should have kept a northern Muslim as president till 2015. This was even attested to by the former National Security Adviser to President Jonathan who



said that the root cause of Boko Haram was the rocking of the zoning arrangement by the PDP itself. According to the National Security Adviser, Rtd. General Andrew Owoye Azazi, the policies of the country's ruling party created a climate of what is happening and manifesting in the country today. Consequently, the National Security Adviser was sacked as a result of pressures from other top echelon of PDP members from Northern Nigeria (Odebode, Fabiyi and Soriwei, 2012) and replaced by a Northerner named Sambo Dasuki. Some seditious statements that pointed to the political discomfort of the Northern Nigerian elites were also reported in the newspapers. According to the Punch of May 16th, 2012; a former Head of State, Rtd. General Muhammed Buhari who lost in the presidential election to President Jonathan in 2011 was said to be under fire over threat of bloodshed in Nigeria over possible future election rigging (Alechenu, Fabiyi, Odesola and Adetayo, 2012).

Buhari a Northern Nigerian, was quoted to have said that "if what happened in 2011 should again happen in 2015, by the grace of God, the dog and the baboon would all be soaked in blood" (Binniyat, 2012:5). Equally Alhaji Lawal Keita, another prominent northern Nigerian leader was reported to have issued another political threat to the effect that "the only condition for Nigeria to be one is for the presidency to come to the north in 2015" (Umoru, 2012:5). As a counter provocative submission however, Chief Edwin Kiagbodo Clark, a prominent Ijaw leader from the geo-political zone of the incumbent president called for the arrest of the northern leaders and their trial for sedition. It was at this point that the Northern Governors (most of whom are even from the ruling political party) did not see anything wrong in the comment of Rtd. General Buhari (the opposing presidential candidate in the last 2011 general election) but that government is being warned against „bad future election“. (Attah and Ubabukoh, 2012). Indeed, the various political allegations and counter – allegations suggest a possible support for Boko Haram as a means of overturning a perceived political alienation.

## □ **Psychological Propensity Perspective**

Walton (2010) emphasizes particular psychological reasons young people are more prone to engaging in violence. He argues that adolescents may be more susceptible to recruitment by rebel groups or to engage in violence for a number of psychological reasons (emotional development or identity construction, for example). Understanding this perspective is relevant in the Nigerian context where youths mirror their personality in the likeness of military rulers that dominated the political system of Nigeria until 1999. Hence it is not uncommon to hear or see idle Nigerian youth talk and behave violently in certain cases as if violence pays. Walton (2010) therefore argues that job creation schemes can provide restless youth with a means of channeling their energies and thereby resisting a natural propensity to violence in its various forms. This perspective however does not intend to overstate the threat posed by youth and neglecting the positive peace building roles that youth could play if given the opportunity.

## □ **Social and Political Exclusionism Perspective**

This perspective sees youth violence as a product of the social and political marginalisation of young people. As Hilker and Fraser (2009) have argued, there is a growing sense in the literature that 'the social and economic statuses required for adulthood are increasingly unattainable for young people'. Walton (2010) argues that a number of ethnographic studies of young people in a number of different conflict-affected countries have identified various social, economic and political barriers that block young peoples' transition to adulthood, and highlighted the central role these barriers can play in driving violent conflict. For instance, Sommers' (2006) work on 'youthmen' in Rwanda and on blocked youth transitions in West Africa (Sommers, 2007), research on 'waithood' in the Middle East (Salehi-Isfahani and Dhillon 2008), and studies of youth violence in Sri Lanka (Amarasuriya et al, 2009) all emphasize a blocked transition to adulthood emerging as a result of a complex combination of demographic, economic, social

and political factors. A related theme, which has been noted in a range of contexts, is corruption or hypocrisy of the political elite (Sommers, 2009; Amarasuriya et al, 2009, Yousuf, 2003). Hence Yousuf (2003) has argued that, the fact that resources are controlled by entrenched elites rather than poverty and inequality per se is what drive youth grievance in recent times. So taking up arms against the state or the political elite in these contexts can provide a means by which they can integrate into society (by fire, by force), or gain the sense of purpose and recognition denied them by the society (Sommers, 2007). From this perspective, youth job creation will not address violence unless it also deals with the social and political exclusionism that underpins youth grievance. This is why there is no escaping the fact that terrorist attacks have almost exclusively been led and executed by young men. Males isolated from the rest of society.

#### **4.6 The Multidimensional Nature of Boko Haram Terrorism.**

**Table 1: Nature and Frequency of Terror Attacks in Nigeria from 2009 to 2015 by Date and Year**

<b>Year</b>	<b>Date and Month</b>	<b>Nature of Attack</b>	<b>Location</b>	<b>Number of People Killed</b>	<b>Number of People Injured</b>	<b>Number of People Displaced &amp; Property Destroyed</b>
2004	February 4	Massacre	Yelwa	78	none	NA
2009	26 <sup>th</sup> July	5 days up-rising	Dutsen-Tanshi Maiduguri	41		Over 30 people
	27 <sup>th</sup> July	Armed attack	Potiskum DV HQ, Yobe	4		
	29 <sup>th</sup> July	Armed attack	Potiskum/Damaturu, Yobe	33		Over 160 people
	29 <sup>th</sup> July	All right armed battle	Railway terminus Maiduguri	40		Over 250 people
	January	Gun runner battle	Jos	326	183	Over 120

2010						people
	March	Midnight armed attack	Dogo Nahawa, Zot & Ratsat Jos	300	129	Over 90 people
	7 <sup>th</sup> Sept	Jailbreak	Attack on Prisons in Bauchi	5		Freeing 721 Inmates
	6 <sup>th</sup> October	Assassination	Awana Ngala in Maiduguri	3		
	9 <sup>th</sup> October	Assassination	Maiduguri	3		
	11 <sup>th</sup> October	Bombing/gun attack	Maiduguri Police Station		3	
	24 <sup>th</sup> Dec	Bombing/Armed attack	Jos metropolis	80	23	Over 230 people
	28 <sup>th</sup> Dec	Assassination	Senior police officer & two others	3		
	28 <sup>th</sup> Dec	Bombing/Armed attack	Christmas eve bombing in Maiduguri	38	87	Over 120 people
	31 <sup>st</sup> Dec	Armed attack	Abuja Market blast killing many people	168	210	Over 250 people
2011	23 <sup>rd</sup> Jan	Assassination/killing	Boko Haram Murders Deeper Life Pastor & Others	4	45	Over 60 people
	29 <sup>th</sup> Jan	Assassination/killing	Boko Haram kills ANPP Guber Candidate and others	7	34	
	31 <sup>st</sup> Jan	Bombing/Gun attack	Boko Haram & Military in fight to finish in Borno	2	23	Over 250 people
	17 <sup>th</sup> Feb	Bombing/Gun attack	Boko Haram/Military Bloody clash in Borno	2	23	30 people & 25 house razed
	12 <sup>th</sup> Mar	Assassination/killings	Boko Haram	5	12	

			assassinated Muslim Cleric			
	27 <sup>th</sup> Mar	Assassination/killings	Boko Haram kills ANPP stalwart and others	2		
	5 <sup>th</sup> April	Assassination/killings	Boko Haram free for all rampage	2		
	22 <sup>nd</sup> April	Jailbreak	Boko Haram frees prisoners in Yola			14 prisoners freed
	26 <sup>th</sup> April	Bombing/Gun attack	Bombing/Blast	3	14	Over 150 people
	29 <sup>th</sup> May	Bombing/Gun attack	Boko Haram Bombed Northern Nigeria			
	31 <sup>st</sup> May	Bombing/Gun attach	Bomb explosion & killings	1	23	
	3 <sup>rd</sup> June	Bombing/Gun attack	Bokites attacked Catholic & epidemiological center			
	8 <sup>th</sup> June	Bombing/Gun attack	Boko Haram attacked Catholic church in Maiduguri	10	68	23 people & 3 building razed
	17 <sup>th</sup> June	Bombing/Exploision	Boko Haram Hit Police HQR in Abuja	2	20	38 cars & 140 others damaged
	21 <sup>st</sup> June	Bombing/Exploision	Blast/exploision in Borno	4		
	26 <sup>th</sup> June	Bombing/Exploision	Bombing attack on bear garden in Maiduguri	25	12	
	27 <sup>th</sup> June	Bombing/Exploision	Blact/Explosion a nd Gun attacks in	30	66	75 people & several

			Borno			Houses razed
	28 <sup>th</sup> June	Bombing/Exploision	Boko Haram Bombed Custom House	3	9	Several cars and 3 buildings razed
	7 <sup>th</sup> July	Bombing/Exploision	Boko Haram bombed JTF Patrol Van	3	3	I car destroyed
	10 <sup>th</sup> July	Bombing/Exploision	Bombing at the All Christian Fellowship Church in Suleja			
	11 <sup>th</sup> July	Armed attack alert	The University of Maiduguri temporarily closed down			Over 400 people fled Maiduguri
	12 <sup>th</sup> July	Armed attack/killing	Muslim Cleric Liman Bana shot dead by Boko Haram	1	11	
	24 <sup>th</sup> July	Bombing/Exploision	Explosion Rocks Sheu of Borno's Palace			4 buildings affected
	3 <sup>rd</sup> August	Bombing/Exploision	Exploision and Blast rocks Borno soldier			
	5 <sup>th</sup> August	Bombing/Exploision	Explosion & Blast rocks Borno	2	2	43
	12 <sup>th</sup> August	Bombing/Exploision	Car Bomb hits Nigeria UN in Abuja			
	15 <sup>th</sup> October	Bombing/Exploision	Exploision rocks Shinkafi general Onoja;s home			3 buildings damaged
	17 <sup>th</sup> October	Bombing/Explosion	Gombe Mobile Barracks Blast	4	11	2 buildings affected
	24 <sup>th</sup> October	Assassination/killings	Boko Haram Gun attack on journalist	1		

	4 <sup>th</sup> Nov	Armed attacks/killings	Boko Haram attacks Damaturu	63	108	Over 100 people
	11 <sup>th</sup> Nov	Assassination/killing	Armed attack on police & FRSC stations Borno	2	7	2 cars damaged
	28 <sup>th</sup> Nov	Assassination/killing	Armed attacks on churches in Yobe	4		8 churches burnt down
	8 <sup>th</sup> Dec	Bombing/Explosion	Explosion rocks Kaduna	7		Several houses & shops razed
	12 <sup>th</sup> Dec	Bombing/Explosion	Explosion at football viewing center in Borno	3	14	
	13 <sup>th</sup> Dec	Assassination/killing	Armed attacks in Borno	3		
	19 <sup>th</sup> Dec	Armed/Gun Attacks	Army & Boko Haram clash in Kano	8		
	20 <sup>th</sup> Dec	Bombing/Explosion	Explosion rock Kaduna		3	
	23 <sup>rd</sup> Dec	Bomb Blast/Explosion	Boko Haram hit church during Christmas Prayers	65	46	
		Bombing/Explosion	Mandela Church Christmas explosion, Niger State	35	65	4 buildings & 6 cars damaged
	26 <sup>th</sup> Dec	Assassination/Killings	Boko Haram Gun attacks SSS office in Yobe	3	5	3 cars razed
		Bombing/Explosion	Boko Haram Attacks on Churches in Adamawa			4 churches & 5 buildings razed
		Bombing/Explosion	Boko Haram	3	12	2 building

2012			Bombers invade church in Jos			razed
	5 <sup>th</sup> Jan	Armed attacks	Boko Haram Gunmen attacks in Jigawa Police Station	1		Over 600 Christians displaced
	7 <sup>th</sup> Jan	Mass Murder	Boko Haram attacks Christian communities in Gombe	28	46	113 people displaced
	9 <sup>th</sup> Jan	Armed attacks/killing	Boko Haram killings and assassination in Yobe	6		
	11 <sup>th</sup> Jan	Armed attacks/killing	Boko Haram kills police in Yobe	5		
	17 <sup>th</sup> Jan	Armed attacks/killing	Boko Haram kills police in Gombe	5		
	20 <sup>th</sup> Jan	Bombing/Explosion	Boko Haram attacks kano by blast and exploisions	14	42	
	21 <sup>st</sup> Jan	Bombing/Explosion	Bomb exploision in Kano	6	20	
	23 <sup>rd</sup> Jan	Bombing/Explosion	Bomb exploision in Bauchi Church	11	22	4 cars damaged
	31 <sup>st</sup> Jan	Armed attacks	Gun attacks at Police station in Yobe	2		
	3 <sup>rd</sup> Feb	Armed attacks	Boko Haram kills many in Maiduguri	6	11	
	8 <sup>th</sup> Feb	Bombing/Explosion	Boko Haram suicide bombers storm Kaduna Barracks		23	
	16 <sup>th</sup> Feb	Jailbreak in Prisons	Boko Haram & Jailbreaks in central	1		119 prisoners freed



			Nigeria			
	20 <sup>th</sup> Feb	Bombing/Exploision	Explosion rocks Suleja church		13	
	21 <sup>st</sup> Feb	Gun Fight	Boko Haram gun fight in Yobe	30	17	5 vehicles damaged
	27 <sup>th</sup> Feb	Bombing/Explosion	Suicide Bombers Attacks Jang's Church			
	8 <sup>th</sup> Mar	Abduction/Kidnapping	Boko Haram abducted Brish Engineers	2		
	12 <sup>th</sup> Mar	Armed attacks	Boko Haram kills cores in Jos Church raid	18		
	14 <sup>th</sup> Mar	Armed attacks	Boko Haram fighters opens fire at a checkpoint in kano			
	17 <sup>th</sup> Mar	Armed attacks	Gun attacks in Southern Kaduna	10	5	3 buildings & 2 cars
	21 <sup>st</sup> March	Armed attacks	Boko Haram fighters attacks Police Staff College in Jos	2		
	9 <sup>th</sup> April	Exploision	Easter day bombing in Kaduna	40	65	13 vehicles, & 6 buildings
	27 <sup>th</sup> April	Bombing/Exploision	Boko Haram bombers attacked Media Houses in Abuja			
	30 <sup>th</sup> April	Armed Attacks	BUK attacked by Boko Haram fighters	15	43	9 vehicles damaged
	3 <sup>rd</sup> June	Armed attacks/killings	Boko Haram Killed Church-goers in	15	35	

			Bauchi			
	11 <sup>th</sup> June	Armed attacks	Suicide attacks on Churches in Biu, Jos & Borno	12	65	Over 120 people
	17 <sup>th</sup> June	Mass Murder	Boko Haram kills many in a suicide attacks in Jos	130		Over 300 people
	18 <sup>th</sup> June	Mass Murder	Suicide attacks on churches in Kaduna and Zaria	40	110	Over 90 people displaced
	8 <sup>th</sup> July	Armed Attacks	Bokites Gunmen suicide attacks in Barakin-Ladi	34	55	Over 60 people displaced
	26 <sup>th</sup> July	Armed Attacks	Boko Haram attacked Gum Arabic Factory in Bayan	5	12	
	7 <sup>th</sup> August	Armed Attacks	Gunmen Murders several in Okene Kogi	25	34	Over 40 people displaced
	8 <sup>th</sup> August	Armed attacks	Boko Haram fighters killed soldiers in Bauchi	3	6	
	18 <sup>th</sup> Sept	Mass Murder	Boko Haram Murder entire family member in North	4		
	24 <sup>th</sup> Sept	Suicide attacks	Suicide bombers attacked Bauchi church	3		
	3 <sup>rd</sup> Oct	Midnight suicide attacks	Boko Haram attack Bauchi Church	46	150	Over 350 people
	29 <sup>th</sup> Oct	Suicide Attacks	Suicide bomber hit church during Holy Communion			

	27 <sup>th</sup> Nov	Armed attacks	Gunmen attacked Abuja Police Detention Facility	40	39	Stampedes
	20 <sup>th</sup> Feb	Abduction/Kidnapping	Boko Haram abducted seven Frechn Tourist in Cameroon			
	25 <sup>th</sup> Feb	Armed Attacks	Gunmen killed several in Kaduna	11	9	Razed shops and building
	26 <sup>th</sup> Feb	Abduction/Kidnapping	Boko Haram releases video of kidnapped French family			
	4 <sup>th</sup> Mar	Suicide attacks	Boko Haram attacked Military base	20		5 building raised
	13 <sup>th</sup> Mar	Suicide attacks	Boko Haram fighters stormed Kano school	13	55	
2013	19 <sup>th</sup> Mar	Bombing & Exploision	bomb blast and exploision at Motor Part in kano	30	65	Not less than 50
	12 <sup>th</sup> April	Terror Attacks	Boko Haram & JFT clash in Kano	9	12	
	24 <sup>th</sup> April	Mass Murder	Massacre at Baga Borno State	105	210	Over 150 people lost their homes
	26 <sup>th</sup> April	Terror Attacks	Boko Haram terror attack in Yobe	25	38	Over 90 people
	8 <sup>th</sup> May	Jailbreak	Boko Haram attacked army barrack in Bama, Yobe	55	45	Over 105 inmates freed
	14 <sup>th</sup> May	Abduction/kidnapping	Boko Haram	55	67	Over 65

			abducts women & children			people
	20 <sup>th</sup> May	Terror Attacks	Mass/exodus of men & women to Niger from Borno			Over 2,000 flee Borno to Niger
	6 <sup>th</sup> July	Armed Attack	Boko Haram attack school in Yobe killed many students	42	55	
	19 <sup>th</sup> Sept	Terror attacks	Boko Haram attack in Borno State	142		
	29 <sup>th</sup> Spet	Armed attacks	Boko Haram attack College of Agric in Gujba Killed many	40		
2014	14 <sup>th</sup> Jan	Bombing/Exploision	Boko Haram bombed Maiduguri, Borno killed many	31	50	
	16 <sup>th</sup> Feb	Mass murder	Izugbe massacre by Boko Haram terrorists	105		
	24 <sup>th</sup> Feb	Mass murder	Mass murder of College Student in Yobe	43		
	27 <sup>th</sup> Feb	Armed attack	Boko Haram raid village in Borno	74	54	Over 200 displaced, 34 building raised
	2 <sup>nd</sup> Mar	Bombing/Expoloision	Boko Haram bomb Maiduguri, raid village	300	250	Over 350 displaced
	April 15	Kidnap of over 250 school girls	chibok			250
2015	January 8	Armed attack	Boko Haram militants attack a bus in Waza,	11	6	

			Cameroon.			
		Armed attack	BokoHaram militants raze the entire town of Baga in north-east Nigeria. Bodies lay strewn on Baga's streets with as many as 2,000 people having been killed. Boko Haram now controls 70% of Borno State	2000		
2015	January 9	Mass murder	Refugees flee Nigeria's Borno State following the Boko Haram massacre in the town of Baga. 7,300 flee to neighbouring Chad while over 1,000 are trapped on the island of Kangala in Lake Chad.			8300
	January 10	Bombing/explosion	A female suicide bomber, believed to be around 10 years old, kills herself and 19 others, possibly against her will, at a market in the northeastern city of potiskum		19	

			Maiduguri, Nigeria			
2015	January 11	Armed attack	Boko Haram militants launch a failed raid on <a href="#">Kolofata</a> in Cameroon. The Cameroonian military claims the army lost only one officer while the Islamic group lost between 143-300 rebels.	143-300		
	January 24	Armed attack	15 people are killed as Boko Haram gunmen attempt to burn down the village of <a href="#">Kambari</a> near Maidaguri.	15		

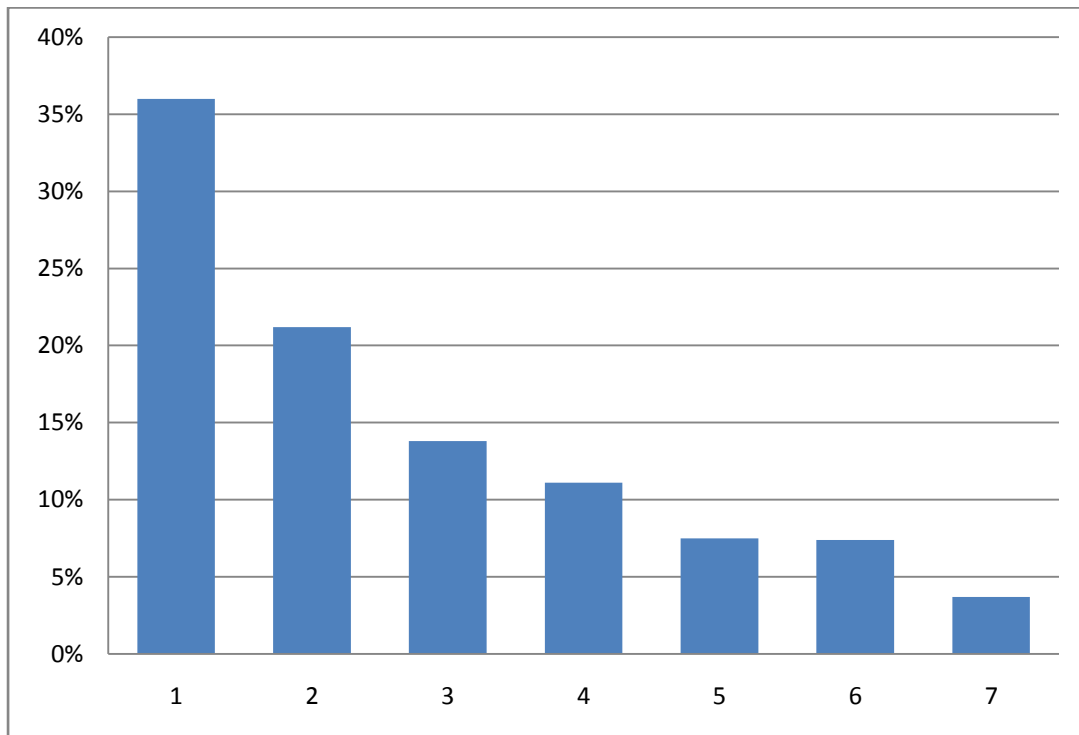
	January 25	Armed attack	Boko Haram rebels launch a large offensive against Nigerian forces in <a href="#">Maiduguri</a> , the capital of Borno State, leading to the deaths of at least 8 civilians, up to 53 militants, and an unknown number of soldiers. Although the attack fails, the rebels manage to capture the nearby strategic town of <a href="#">Monguno</a> . The status of the 1,400 soldiers stationed in Monguno is unknown	8	53	1400
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**Source:** Collated from: *Punch*, 17th, June, 2011; *Punch*, 23<sup>rd</sup>, February, 2012; *Punch*, 27th February, 2012; *Guardian*, 20<sup>th</sup>, February, 2012, *Guardian*, 12th March, 2012; *Nigerian Tribune* 30th, January, 2012; *Punch*, 27th April, 2012; *Punch* 30th, April, 2012; and, *Guardian*, 1st May, 2012. *Reuters*. 20th September, 2013. Retrieved 10th November, 2014, *DailyPost Nigeria*. Retrieved 15th February 2015,

Table 1 shows the chronicles of reported cases of terror from 2004 to 2015 in Nigeria. A closer look at the nature of attack clearly revealed four things (1) seven different methods of attacks employed, (2) development of sophistication of methods and apparatus or technology employed, (3) the relative increase in the spate of attack, and (4) the success rate in terms of casualties recorded. As presented in Table 2 below, six different methods were employed with different degree of success in terms of casualties.

**Table 2: Types of Terror Attacks and Frequency Distribution 2004-2015**

Types of assaults/attacks	Frequency	Percentage (%)
Bombing & Explosions	39	36.1
Armed Attacks	23	21.2
Assassination/Murder/Beheading	15	13.8
Mass Murder/Suicide Raid	12	11.1
Abduction/Kidnapping	7	7.5
Midnight/Terror Attacks	8	7.4
Jail Breaks	4	3.7
Total	108 attacks	100%



On the bar chart :

- 1 represents Bombing & explosions
- 2 represents Armed attack
- 3 represents Assassination/Murder/Beheading
- 4 represents Mass murder/Suicide/Raid
- 5 represents Abductions



- 6 represents Midnight/terror attacks
- 7 represents Jailbreaks

Table 2 presents the analysis of the nature and type of attack logic of Boko Haram, the frequency in percentage occurrence. From the table, it is very obvious that Boko Haram uses more of Bombing and Explosion to wreck terror and havocs. This method represents 36.1% of the various methods being deployed so far. Armed attacks and killings represents 21.2% of times unleashed. Assassinations/Murder/Beheading was employed 13.8% of times. Mass murder/Suicide raid was deployed in about 11.1% of times, Abduction and Kidnapping occurred 7.5% of times, midnight/terror attacks was employed 7.4% while Jailbreak was the least method employed; it represents only 3.7% of times. In order to examine the number of terror attacks and fatalities, frequencies of occurrences were computed and presented in the table 3 below:

**Table 3: Number of Reported Terror Attacks in Frequencies and Fatality**

<b>Years in Retrospect</b>	<b>Nos of Reported Armed Attacks</b>	<b>Number of People Reportedly Killed in (Estimated Hundredth)</b>	<b>Number of People Reportedly Injured (Estimated in Hundredth)</b>	<b>Number of People Displaced (Estimated in Hundredth)</b>	<b>Number of Properties Destroyed (Estimated in Hundredth)</b>
2004	4	Not less than 444	Over 167	Over 321	Not less than 15 buildings
2009	10	Not less than 600	Over 356	Over 459	Not less than 30 building razed
2010	43	Not less than 481	Over 273	Over 150	Over 50 building Over 12 Churches Over 43 Cars
2011	27	not less than 559	Not less than 519	Over 423	Over 26 cars
2012	15	Over 511	Over 708	Over 3,080	Over 99 buildings & 10 cars razed
2013	5	Over 563			

2014	88 Attacks	Over 3,118 deaths	Over 2,793 Injured	Over 9,305	
2015	17	Over	Over 2311 injured		Over 9700 properties destroyed

Table 3 above presents the incidence of terror attacks attacks in Nigeria from 2009 to 2014 as captured by media reports. It shows clearly that Nigeria witnessed 88 widely reported major attacks that claimed close to 3000 lives, injured over 2,000 people and displace several thousands (Over 9,000) of people from their homes. The number of attacks increases with years from 4 major attacks in 2009 to 10 attacks in 2010. In 2011, the number of attacks increased to 43, and thereafter to 37 in 2012, 15 deadly attacks in 2013 and 5 attacks in 2015 (as at February records). It is important to note also that as the number of attacks increases so are the methods, and fatality and the casualties that follow such attacks. The number of deaths and injuries as well as displaced people continue to cascade with time. These figures are very instructive to note that if this representing only the reported cases then the figures is expected to be more threatening if the correct picture of attacks are rightly captured. However, the litany of attacks by this dreaded group called Boko Haram has continued to pose a security challenge to the country which the government currently is at pains to address and has deployed all manner of strategies known to quell the insurrection but solution still remains a far cry. The security challenge however, has undermined the resolve of foreigners to invest in the country. This is more worrisome considering the fact that the country is yet to recover from so many socio-political crises threatening its very existence.

#### 4.7 Findings

- The nature and character of BokoHaram operation is multidimensional employing deadly patterns of destruction and method of attacks such as armed attacks, bombing, midnight/terror attacks, mass murder/suicide raid, assassination, beheading, abduction, kidnapping and jail breaks.

- From statistics gathered the use of bombing and explosions represented 36.2% of the type of terror attack on the frequency distribution, armed attack 20.7%, Assassinations/Murder/Beheading 13.8%, Abduction/Kidnapping 7.5%, Mass Murder/Suicide Raid 11.1% and Jail Breaks 3.7%. Bombing and explosion was the most employed method of attack.
- Consistent development of sophistication of the methods and apparatus of technology employed.
- Relative increase in the spate of the attacks were witnessed between 2009-2015.
- The success rate in terms of casualties recorded resulted more in death.

## **CHAPTER FIVE**

### **BOKO HARAM AND SIGNIFICANT DECLINE OF FOREIGN DIRECT INVESTMENT IN NIGERIA.**

#### **5.1 Africa's Global Share of FDI Inflow**

FDIs have been flowing to different regions of the world and countries in different proportions. The United States of America, the European Union and Japan, have been the main FDI sources and destinations over time while the African continent has been receiving the lowest share of global FDI inflows over time. According to Bjorvatn (2000), the whole of Africa receives less FDI than Singapore! This is in spite of the fact that FDI is welcome and actively sought by virtually all African countries. The expected surge of FDI into the continent as a whole has not occurred. The continent did not benefit from the FDI boom that began in the mid-1980s. Since 1970, FDI inflows into Africa have increased only modestly, from an annual average of almost \$1.9 billion in 1983-1987 to \$3.1 billion in 1988-1992, and \$6 billion in 1993- 1997. For comparison purposes it should be noted that the global FDI flows in 1998 reached a record \$644 billion (UNCTAD Press Release, 22 June 1999). The figure says much about Africa's share when people compare it with, say, the \$6 billion inflow to the region between 1993 and 1997. The inflow to Western Europe in 1997 was \$114,857 million and to North America the figure for the same year was \$98,994 million.

FDI inflows into developing countries as a group almost quadrupled from less than \$20 billion in 1981-1995 to \$75 billion in 1991-1995. Inflows to Africa in that period merely doubled. It is not an exaggeration to say that Africa's share in total inflows of FDI to developing countries dropped significantly from more than 11% in 1976-1980 to 9% in 1981-1985, 5% in 1991-1995 and to 4% in 1996-1997. Its share of total outflows from the United States of America, the European Union, and Japan, the most important source regions for FDI, was even lower during

1987-1997 period as other developing regions such as Asia, Latin America and the former communist states of Eastern and Central Europe, became more attractive as FDI receptacles. The share never exceeded 2% until 1996. It increased to 2.4% in 1997. Africa's global FDI share is also reflected in the ratio of FDI to Gross Domestic Product (GDP). In 1970, the region attracted more FDI per \$1000 of GDP than Asia, Latin America and the Caribbean. The FDI in dollars per \$1000 of GDP in 1970 was 7.9, 6.7 and 2.7 for Africa; Latin America and the Caribbean; and South, East and South-East Asia respectively. The corresponding figures for 1996 are 13.6, 24.8 and 25.7. For 1997, the figures are 14.7, 33.8 and 28.3 respectively. By 1990, Africa had fallen behind other developing areas in terms of its value of FDI inflows and the FDI/GDP ratio, and has stayed behind since then. In the 1990s, the gap increased widely when the worldwide surge in FDI flows into developing world largely bypassed the region.

At this juncture, it should be mentioned that the share of FDI flowing into Africa has not been even in all countries. Egypt and Nigeria have received a lion's share of FDIs flowing into the region in terms of absolute size. The share has however declined from more than 67% in 1983-1987 to 54% in 1988-1992, and 38% in 1993-1997. Looking at the figures for FDI inflow into Africa as a whole it is clear that its global share is by all standards very low. This share needs to be increased given the potential positive roles that FDI can play in the continent's development. However, Africa's ability to increase its share is questionable. It is doubtful whether the continent has enough of the FDI determinants required to attract more of the global FDI outflows.

## **5.2 Potential Roles of FDI**

This work assumes that FDI is good and necessary for the development of Africa. FDI continues to be a driving force in the globalization process that characterizes the modern world economy. The process has diminished the importance of territorial boundaries and every part of the world is in one way or another involved

in the process. The continent should therefore increase its global share of FDI. The assumption is based on the potentially positive roles that FDI can play in the development of the continent. This justifies the concern about the need for and ability of the continent to increase its global share of FDI inflows. Here are some of the potential roles that FDI can play in host economies. It is a fact that Africa, like many other developing regions of the world, needs a substantial inflow of external resources in order to fill the saving and foreign exchange gaps associated with a rapid rate of capital accumulation and growth needed to overcome widespread poverty and to lift living standards to acceptable levels. The need for external financing is nowhere more pressing than in Africa, where income levels are too low to generate adequate domestic resources for the attainment of even modest rates of investment and growth.

It is appropriate to argue that FDI is currently the best alternative source of external capital for the development of Africa. Through the 1960s and 1970s, countries were encouraged to borrow on the international markets and finance their own investments. Among the alternative means of financing these investments was FDI. It was argued that this alternative was one of the most expensive ways to finance capital accumulation. Many countries borrowed instead. As a result of this latter strategy, many developing countries, including those in Africa, accumulated huge debts. No thanks to these huge debts, they have less accessibility to international capital. According to UNCTAD (2000), long-term bank lending has completely disappeared in Africa since the mid-1980s. Private inflows of capital into the region have mainly consisted of FDI and short-term bank lending. It is now widely recognized that FDI can play a useful role in development. The usefulness of FDI is not only due to its financial contribution; rather, it is important because of other characteristics of FDI when it forms part of a package investment options. FDI can (1) create employment in host economies; (2) be vehicles of transfer of technology; (3) provide superior skills and management techniques to

host economies; (4) help in the capital formation process; (5) facilitate local firms' access to international markets; (6) use local resources more efficiently and productively; (7) increase product diversity; (8) use environmentally clean technology; (9) observe human and labor rights and; (10) create a lot of linkage-effects in the economy, both forward and backward. Generally speaking, then, it can be said that FDI can be an engine of economic growth in a host economy. Such investments can sustain and improve economic development in a country or a region for that matter. Given the economic conditions in Africa and its level of development, the need for FDI in the region cannot be overemphasized. The continent needs to increase its share of global FDI inflows as one of the most likely ways to increase the needed external capital for its development. This section focuses on the review of FDI determinants. These are the factors that determine FDI inflows into a given geographical location, say, a country or a region. They give investors the confidence needed to invest in foreign markets.

The list of these determinants may be very long, but not all determinants are equally important to every investor in every location at all times. Some determinants may be more important to a given investor in a given location at a given time than to another investor. A given determinant may be a necessary and satisfactory factor by itself for FDI inflow in one location but not in another. For the most part, they form a complementary set. What interests us in this section is to find out the factors that would motivate or attract a multinational enterprise to invest in a particular destination after making the decision to go multinational. These are the factors that give the investors the confidence to commit their normally massive, expensive and scarce resources in a given foreign destination. It is difficult to determine the exact quantity and quality of FDI determinants that should be present in a location for it to attract a given level of FDI inflows. What is clear is that every location must possess a certain critical minimum of these

determinants before FDI inflows begin to take place. UNCTAD's 1998 World Investment Report presents some host country determinants of FDI.

These include:

Policy Framework For FDI:

- Economic, political and social stability.
- Rules regulating entry and operations (of FDIs).
- Standard of treatment of foreign affiliates.
- Policies on functioning and structure of the markets.
- International agreement on FDI.
- Privatization policy.
- Trade policy (tariffs and non-tariff barriers and coherence of FDI and trade policy).
- Tax policy.

Economic Determinants:

- Business facilitation:
- Investment promotion (including image-building and investment-generating activities and investment –facilitating services)
- Investment incentives.
- Hassle costs (related to corruption and administrative efficiency)
- Social amenities (for example bilingual schools, quality of life)
- After-investment services.

UNCTAD (1998) lists the principal economic determinants in host countries. It matches types of FDI by motives of the firms with those principal economic determinants. Where we have a market-seeking type of FDI, it looks for criteria concerning market size and per capita income; market growth; access to regional and global markets; country-specific consumer preferences and; structure of markets. In the case of FDI of a resource/asset- seeking type, the focus would turn



on raw materials, low-cost unskilled labor as well as skilled labor, technological, innovative and other created assets (like brand names), and physical infrastructure (ports, roads, power, telecommunications). Another type of FDI is that which is directed at ensuring efficiency. This type looks for favorable balances in the costs of resources and assets listed above, adjusted for labor productivity as well as in other input costs, such as transport and communications costs to/from and within the host economy. Finally, it is interested in whether or not the host economy is part of a regional integration agreement that may be conducive to the establishment of regional corporate networks.

Finally, given that FDI is increasingly geared to technologically intensive activities, technological assets are becoming more and more important for TNCs to maintain and enhance their competitiveness. A destination's possession of a strong indigenous technology base is vital for attracting high-technology FDI and for research and development (R&D) investments by TNCs. A would-be host country, in order to attract scarce FDI, must be able to provide the requisite inputs for modern production systems. For example, efficiency-seeking FDI will tend to be located in those destinations that are able to supply a skilled and disciplined workforce and good technical and physical infrastructure.

Bjorvatn (1999) avers that firms will locate their industrial activities in countries with superior quality of national infrastructure. A good quantity and quality of infrastructure in a location is among the factors that facilitate business operations. Physical infrastructure includes roads, railways, ports and telecommunication facilities. The latter include traditional postal services and modern communication facilities such as the network Internet. Regional Trading Blocks (RTBs) are essential determinants of FDI. These represent various forms of economic integration among countries. They are designed to promote cross-or inter- country trade and mobility of factor services from within member countries by fostering a

more market-oriented pattern of intra-regional resource allocation. They have the potential to increase the size of a unified market. Common external tariffs imposed by RTBs are likely to force non- members to enter the market through FDI rather than through trade. This is one of the ways in which RTBs may be among the essential FDI determinants. No wonder then that the European Union as a group attracts so much FDI. The importance of regional groupings as a factor in attracting FDI has also been advocated by the UNCTAD.

The organization argues that countries stand to reap some economies of scale in regional groupings and that it develops complementarity of interests between land-locked and coastal countries. In the African context, such economic groupings as the Economic Community of West African States (ECOWAS) and the Southern African Development Corporation (SADC) may be counted as RTBs. Language and business culture are also determinants of FDI inflows. In a destination where a language like English is commonly spoken by the majority of the population, one would expect more FDI inflows than should the case were otherwise. Of course, we have cases where there has been more FDI inflow to destinations where language is on the surface a barrier, e.g., South Korea, Indonesia, Taiwan and China than to where language seems to be an advantage as in most African countries like Nigeria, Kenya, Tanzania and Ghana where English is widely spoken.

It may be difficult to account for such observations without further research. Generally it can be assumed that the former group of countries possesses more of the other FDI determinants than the latter. For example, the huge market that China represents is likely to overshadow the language problem there. In that case language, like many other determinants, seems to be an important but not a necessary and satisfactory factor by itself. Tax exemptions, tax holidays or tax reduction for foreign investors, and similar incentives would play a positive role in

attracting FDIs into a given destination. Some other types of incentives that may play similar roles include guarantees against arbitrary treatment in case of nationalization; government provision of such utilities as water, power and communication at subsidized prices or free of cost; tariffs or quotas set for competing imports; reductions/elimination of import duties on inputs; interest rate subsidies; guarantees for loans and coverage for exchange rate risks; wage subsidies; training grants and relaxation of legal obligation towards employees. But the costs of these incentives to the host economy must be compared to the potential benefits that FDI may bring. If and only if, the benefits of the FDI projects more than offset the costs should host economies offer any incentives.

Labor availability and relatively low labor costs, high skills and efficiency are important factors determining FDI inflow into a given destination. For example, the region covered by the fifteen former communist states of Central and Eastern Europe is seen by some MNEs such as Daewoo, as a low-cost production base that can be used as an export platform to service West European markets. Relatively lower wage costs have also been used to account for increased FDIs in Asia especially in the Tigers of Asia. The labor force has to be non- militant. There should be generally good labor relation, low rate of industrial disputes, strikes and lockouts and a high level of employee loyalty in a given destination for FDIs to flow there in a substantial amount. Investors may also be attracted by other factors such as low cost but high quality inputs and minimal transaction costs in their interaction with the government and other bureaucracies. The extent to which unnecessary, distorting and wasteful business costs are reduced will most likely contribute positively to FDI inflow into a given destination.

The strength of a currency also may determine FDI inflow. A relatively weak currency would be more likely to attract FDIs than a relatively strong one. Realizing potential losses inherent in converting weak currency to hard ones, many foreign investors may simply plow back into the host economy their profits and other remittances. Currency devaluation may lead to cheap assets. Cheap assets, on the other hand, are expected to attract more FDIs especially through Mergers and Acquisitions (M&As). Economic and structural reforms in a country are very important in winning foreign investors' confidence to take their investment funds there. Such reforms can be very wide and far-reaching. The various reform measures may overlap with each other. Reforms, whether social, political or economic, should aim at creating, maintaining and/or improving the environment for business, both local and foreign. Some of the important reforms can involve the relaxation of entry restrictions in various sectors, deregulation in various industries, abolition of price controls, easing of controls over mergers and acquisitions and trade practices, removal of government monopoly, privatization, independence of the Central Bank, elimination of import licensing, removal of foreign-exchange, exchange rate and interest rate controls.

Such reforms are likely to create a business-friendly environment that is likely to attract more FDI. But the reforms may be expensive to a nation and its people. For these reforms to be justified, they must take into consideration the impact on the populace of the country concerned. Investors are more likely to choose those locations that make it easier to do business. These are likely to be found in countries with solid economic fundamentals. The 1997 figure for developed countries' share of global FDI inflow (72%) most likely reflects the presence of the solid economic fundamentals in the United States and some European countries. It has been argued that the attractiveness of developing countries for foreign capital depends on the capabilities of these countries to apply existing technologies and not on their role in producing new one. That is, FDI inflow to such countries in the

first place will depend on, among other things, the existence of this capability. It is in order to then list the ability to use the existing technology as yet another factor that can determine FDI inflow into a specific destination. Non-discriminatory treatment of investors, consistency and predictability in government policies are also among the FDI determinants. Investors need to be in a position where they can plan their activities efficiently within the policy environment of the government. Those government policies that directly or indirectly affect investments should be reliable, accessible, up to date and widely publicized. Government credibility is essential if more FDI is to flow to a destination. In this connection, the system of processing and approving new investments may be a crucial determinant for further FDI inflow into the same destination. A long, bureaucratic, non-transparent and corrupt process is likely to scare away potential investors. What is needed is a relatively short, transparent and non-corrupt process undertaken in, if possible, a one-stop-shop.

Some other FDI determinants include a positive economic growth in a given destination. Economic growth in turn determines market prospects.

It is more likely that FDI will flow more to destinations with promising economic growth both in the short and long run. Other FDI determinants mentioned in the literature include low indirect social costs like bribery or its absence; availability of risk capital; synergy between public and private research and development programs; low rate or absence of criminality, alcohol and narcotic abuse as these affect the security of personnel and the quality of the labor force as a whole. The values, norms and culture of the population in the host economy must be ready to support the principle of free competition. Authorities must be able to adjust policy to reflect new economic, social and political realities of the time. Prevailing views on environmental issues and the occurrence of activism, while important, must not be fanatical and detrimental to business operation. They must be reasonable. Countries' health services, recreation possibilities and overall quality of life, too,

influence FDI inflow. A country's membership in a binding multinational investment agreement and institutions concerning FDI can reduce the perceived risk of investing there. When the risk of investing in a location is reduced, we expect to see an increase in investments there. Such agreements include several bilateral investment treaties and double taxation treaties. Among the organizations that have an impact on the flow of FDI are the World Intellectual Property Organization (WIPO); the convention establishing the Multinational Investment Guarantee Agency (MIGA); the Convention on the recognition and enforcement of foreign arbitral awards; the Convention on the settlement of investment disputes between states and nationals of other states.

The presence of investment opportunities in a country, needless to say, is another important FDI determinant. The opportunities should be made known to potential investors through effective promotion which includes marketing a country and coordinating the supply of a country's immobile assets with the specific needs of targeted investors. One cannot always expect that investors will take the trouble of finding out the available opportunities in every country. Countries must reach out to investors. Where the world's largest TNCs invest is sometimes determined by access to technology and innovative capacity in particular countries. These factors, in contrast to natural resources, are called "created assets". These include communication infrastructure marketing networks, knowledge—which can be used as a proxy for skills, attitudes to wealth creation and business culture, technological, managerial and innovative capabilities, competence at organizing income-generating assets productively, as well as relationships (such as between firms and contracts with governments) and the stock of information, and, finally, trade marks or goodwill. Possessing the assets just adumbrated is critical for competitiveness in a liberalizing and globalizing world economy. However, the traditional factors such as access to markets, natural and other resources like low-

cost labor are still key FDI determinants especially for many firms that have not yet developed large-scale international operations.

As mentioned earlier one can see that some of the determinants overlap. It is almost impossible to give a threshold of the determinants that should exist in a location before a given amount of FDI begins to flow there. But it is clear that a certain critical minimum of the determinants should exist before the inflows start to take place. A location that possesses an optimal quantity and quality of the determinants can be said to be an attractive destination for FDI. For a destination to attract or increase its FDI share it should possess this critical minimum of the determinants.

### **5.3 Growth of FDI in Nigeria**

It is now widely acknowledged that foreign direct investment is an important aspect of the recent wave of globalization. UNCTAD (2001) notes that FDI in the world rose from US\$ 57 billion in 1998 to US\$ 1,271 billion in 2000, even so, only a few countries have been successful in attracting significant FDI flows. Indeed, Africa as whole sub-Saharan Africa in particular has not particularly benefited from the TNCs boom. For most of the time since 1970, FDI inflows into Africa have increased only modestly, from an annual average of about US\$1.9 billion in 1983-87 to US\$ 3.1 billion in 1998-92 and US\$4.6 billion in 1991-1997. Although UNCTAD's world investment report 2004, reported that Africa's outlook for FDI is promising, the expected surge is yet to be manifest. FDI is still concentrated in only a few countries for many reasons, ranging from negative image of the region to poor infrastructure, corruption and foreign exchange shortages, an unfriendly macroeconomic policy environment among others. Nigeria is one of the few countries that have consistently benefited from the FDI inflow of Africa as reflected in table below. Nigeria's share of FDI inflow to Africa averaged around

10% from 24.19% in 1990 to a low level of 5.88% in 2001 up to 11.65% in 2002. UNCTAD (2003) showed Nigeria as the continent's second top FDI recipient after Angola in 2001 and 2002.

**Table 4**

**Nigeria: Net foreign direct investment inflow ( US \$ Million)**

YEAR	AFRICA	NIGERIA	% of AFRICA
1980	392	-188.52	
1990	2430	588	24.19
1995	5119	1079	21.07
1997	10667	1539	14.43
1998	8928	1051	11.77
1999	12231	1005	8.22
2000	8489	930	10.96
2001	18769	1104	5.88
2002	10998	1281	11.65
2003	15033	1200	7.98

**Source: UNCTAD foreign Direct Investment Database online.**

Although there has been some diversification into manufacturing sectors in recent years TNC in Nigeria has traditionally been concentrated in the extractive industries. On the average, the stock of TNCs in manufacturing over the period of analysis compares favourably with the mining and quarrying sector, with an average value of 32%. The stock of TNC in trading and business services rose from 16.9% in 1970-74 to 32.6% in 1985-1989, before nose-diving to 8.3% in 1990-1994. However, it subsequently rose to 25.8% in 2000/01. The nominal FDI inflow ranged from N128.6 million in 1970 to N434.1 million in 1985 and N115.952 billion in 2000. This was an increase in real terms from the decline of

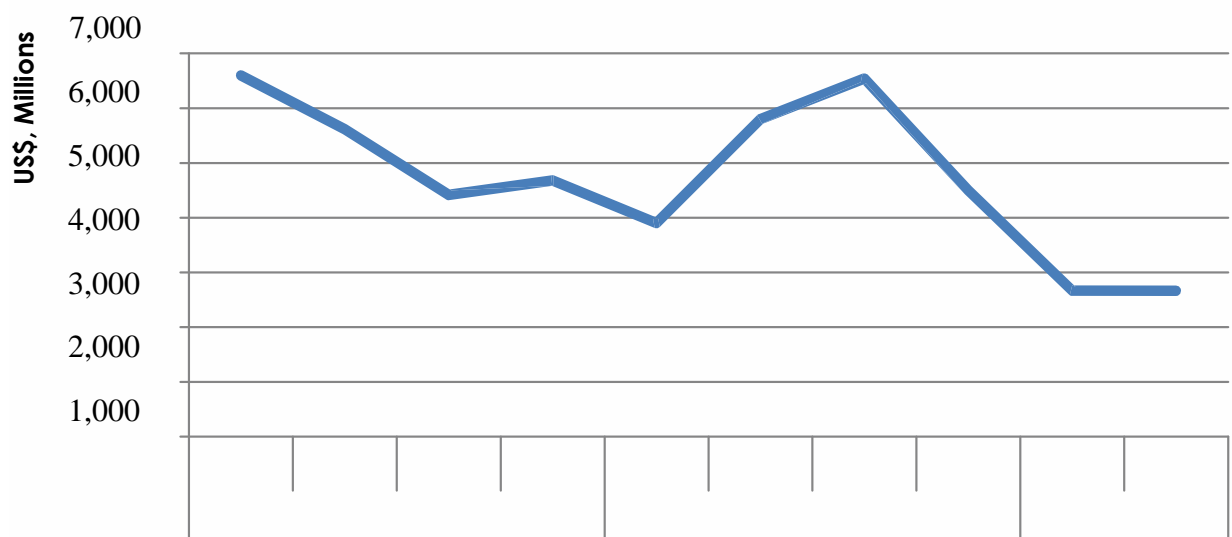


the 1980s. FDI forms a small percentage of the nation's gross domestic product (GDP), however, making up 2.47% in 1970, -0.81% in 1980, 6.24% in 1989 (the highest) and 3.93% in 2002. On the whole, it formed about 2.1% of the GDP over the whole period of analysis. Prior to the early 1970s, foreign investment played a major role in the Nigerian economy. Until 1972, for example, much of the non-agricultural sector was controlled by large foreign owned trading companies that had a monopoly on the distribution of imported goods. Between 1963 and 1972 an average of 65% of total capital was in foreign hands (Jerome and Ogunkola, 2004).

## 5.4 Capital Importation Into Nigeria

For us to understand the decline in Foreign Direct Investment in Nigeria, this research will look at the nature of capital importation into Nigeria. The capital importation by investment type, capital importation by business type and capital importation by state of destination. The rate at which it declined and the percentage reduction will be considered. While graphical representation of facts were employed to demonstrate the impact. Finally we interviewed and equally got interviews of captains of industries who provided an explanation suggesting the reason for the decline.

### Summary: Total Capital Importation



Total of \$5.24 million or just 0.20% quarter on quarter. Capital importation thus remained relatively unchanged from the \$2,671.59 million Capital recorded in the opening quarter of 2015, suggesting that this new, lower level will be maintained as long as an uncertain economic environment remains. Year on year, second quarter capital imported was \$3,137.53 million or 54.06% lower than the \$5,803.89 million imported in quarter two of 2014.



**FIG 2: TOTAL  
VALUE OF  
CAPITAL  
IMPORTATION  
BY  
QUARTER**

36 million, the value of capital imported to Nigeria in the second quarter of 2015 represented a marginal drop

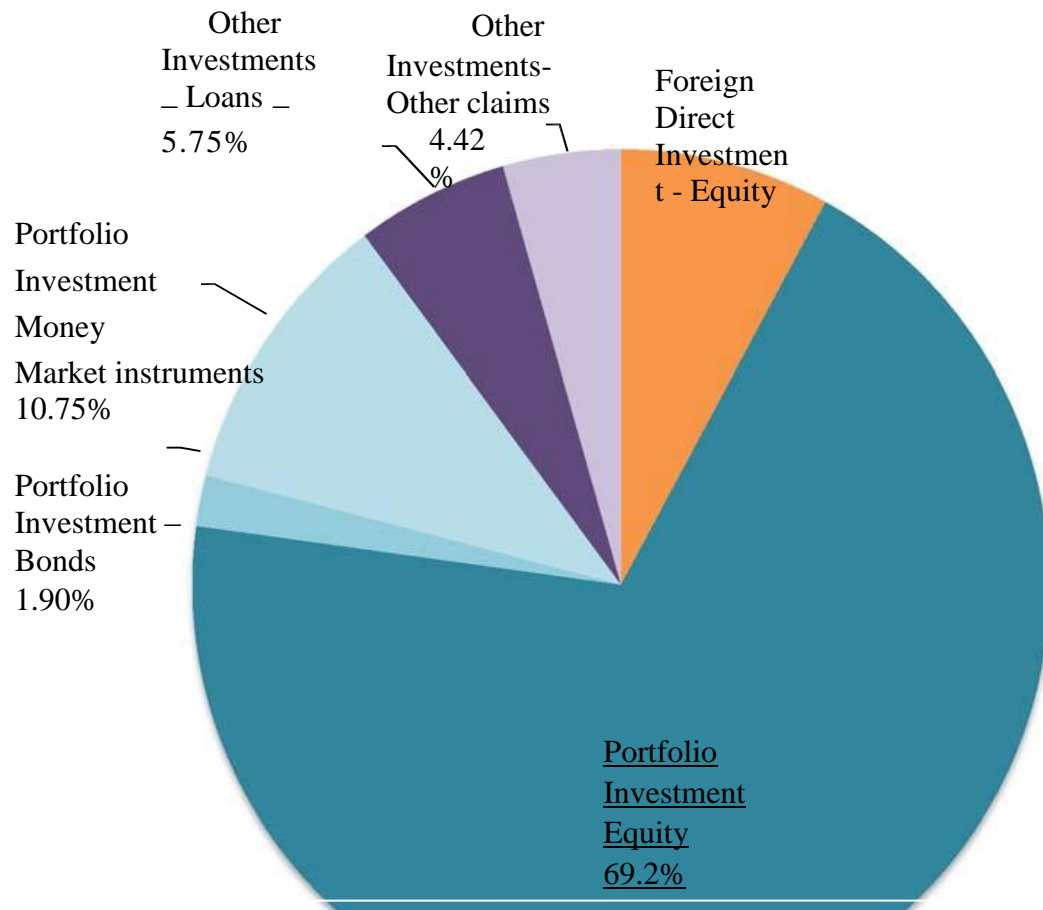
## Capital Importation by Investment Type

Capital Importation can be divided into three main investment types: Foreign Direct Investment (FDI), Portfolio Investment and Other Investments, each comprising various subsectors. Portfolio Investment remained the largest of all investment types, totaling \$2,183.15 million in Q2 of 2015, representing 81.88% of all capital imported. This was \$322.50 million or 17.33% greater than the \$1,860.65 million Portfolio Investment recorded in the opening quarter of 2015, when it represented 69.65% of the total. Nonetheless, year on year, the decline remained large at \$2,733.99 million or 55.60%.

Within portfolio investment, the key driver of the quarterly growth observed was Equity, which at 84.56% of portfolio investment, increased by \$706.70 million or 62.02% from the preceding quarter. Growth in Money Market Instruments further contributed, increasing by \$270.39 million or 1,674.78% from \$16.14 million in Q1 to \$286.53 million in Q2 of 2015. The remaining component, Bonds, declined on a quarterly basis, \$654.58 million or 92.83%, so that its share of total Portfolio investment declined from 26.39% to just 2.31%. Year on year, all subsectors declined, with Equity suffering the greatest losses, down by \$2,029.27 million or 52.36%, accounting for 74.22% of the overall decline.

Other Investments, at \$272.07 million, represented 15.58% of total Capital Imported, and held the second largest capital inflows by investment type. Other investments was mainly comprised of Loans, which at \$153.23 million represented 56.23% of the total, and Other Claims, which at \$117.85 million represented 43.32% of the total. Currency Deposits held the remaining \$0.99 million or 0.36%, whilst Trade Credits recorded zero.

### Capital Importation by Investment Type, Q2 2015



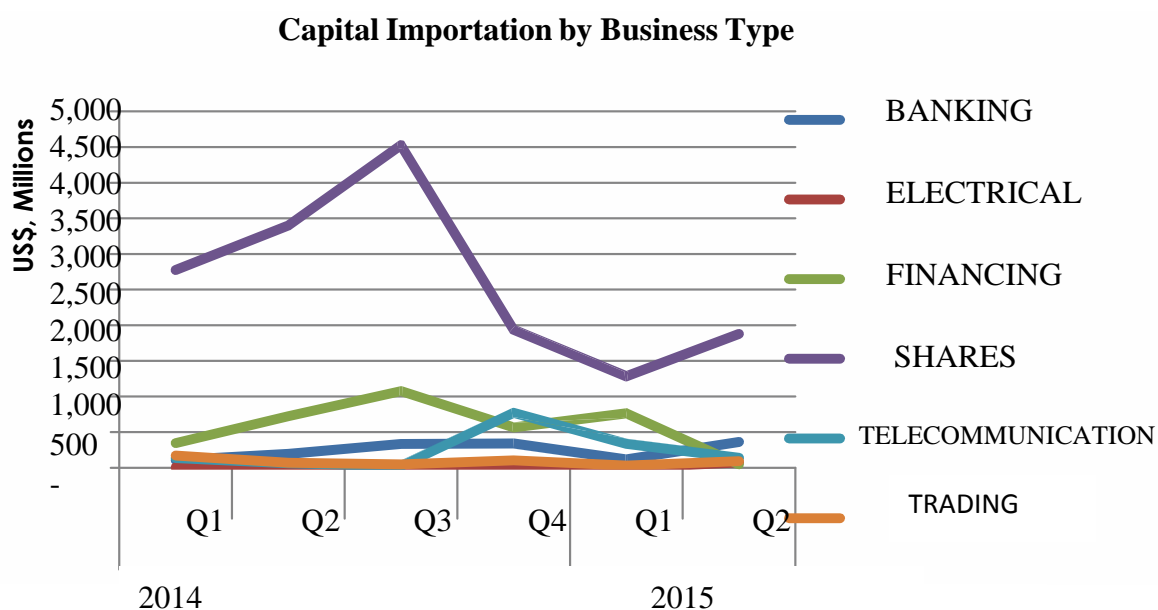
### **FIG 3: QUARTER TWO 2015 CAPITAL IMPORTATION BY INVESTMENT TYPE**

Other investments declined by \$144.27 million or 34.65% from the preceding quarter, driven solely by declines in Loans, which were lower by 231.60 million or 60.18%; Other Claims were up \$86.34 million or 274.03%. Year on year, declines in Other Investments were similar, at \$141.69 million or 34.24%, although this time were driven by both Loans, which were lower by \$83.76 million or 35.34%, and by Other claims, which were lower by \$57.55 million or 32.81%.

FDI was the smallest of the Investment Types in Q2 of 2015, representing \$211.14 million or 14.77% of the total. It remains comprised mostly of Equity, at \$211.01 million or 99.94% of the total, whilst Other Capital holds the remaining \$0.13 million. Declines were observed both on a quarterly basis and annual basis, of \$183.47 million or 46.49% and \$261.85 million or 55.36% respectively.

#### **Capital Importation by Business Type**

Quarter two saw a slight recovery in the value of capital imported for Shares, increasing by \$596.59 million or 46.58% from its Q1 value to reach \$1,877.26 million. Year on year, this was still a decline of \$1,518.96 million or 44.73%, which can be attributed to the overall decline in capital inflows over the period.

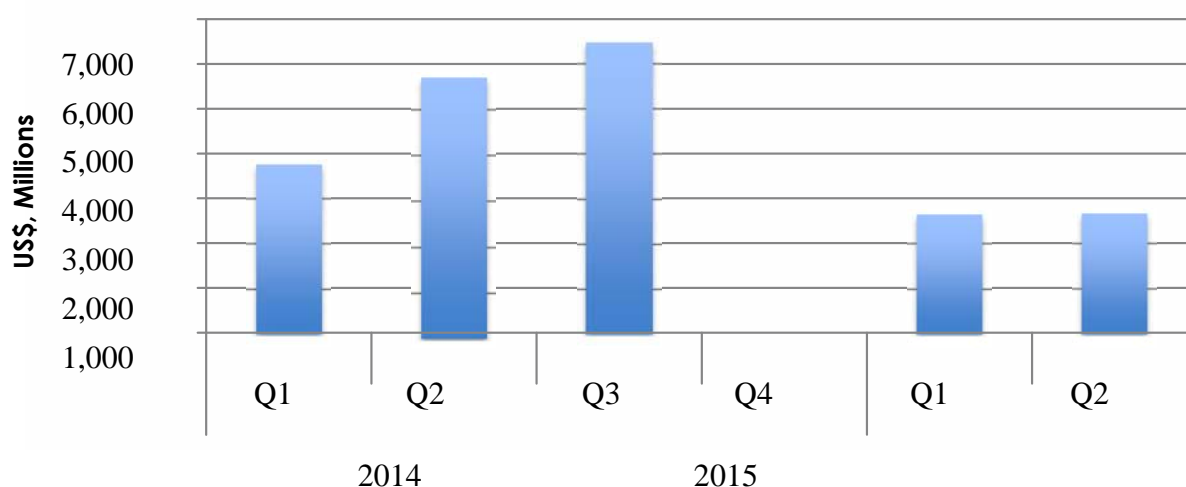


**FIG 4: QUARTER TWO 2015 CAPITAL IMPORTATION BY BUSINESS TYPE**

Banking overtook Financing as the business drawing the second greatest value of capital imported, increasing by \$246.02 million or 214.14% from Q1 inflows to reach the greatest value recorded since Q2 2013, of \$360.92 million or 13.54% of the total, up from the 4.30% it represented in Q1. From Q2 of 2014, inflows were greater by \$169.81 million or 88.86%. Financing, on the other hand, saw the greatest absolute declines in inflows of all Business categories, down \$716.95 million or 93.90% quarter on quarter, reaching its lowest value in the series. Its share of the total dropped from 28.58% in Q1 of 2015 to just 1.75% in Q2. Year on year, Financing inflows declined by \$676.60 million or 93.56%. Despite continuing the steady decline from its Q4 2014 peak of \$769.92 million, this time by \$198.47 million or 58.92% from the preceding quarter, capital imported for Telecommunications remained the third greatest source of inflows, representing 5.19% of the total. Year on year, it was still greater by \$76.74 million or 124.46%. The greatest increase in inflows however, came from capital for Electrical Businesses, which was greater by \$72.52 million or 8,689.26% in Q2, up from \$0.83 million in Q1 of 2015 to reach \$73.39 million or 2.75% of the total. Year on year, this was a rise of a marginally lower \$71.59 million or 3,994.55%.

## Capital Importation by State of Destination

### Capital Importation for Lagos State



**FIG 5: CAPITAL IMPORTATION BY STATE OF DESTINATION**

As was the case with every quarter of review, Lagos was the destination of over 99% of all capital imported, making it the primary driver of capital importation in Nigeria. In Q2 of 2015, this ratio was even greater, with the \$2,663.78 million capital imported representing 99.90% of the total. Inflows to Lagos grew on a quarterly basis by more than the overall total, at \$17.78 million or 0.67% in Q2. Year on year, inflows were down by \$3,043.76 million or 53.33%, similar to the overall decline in capital imported. Every other State with positive capital importation saw a decline in the quarter of review. The greatest absolute quarterly decline was observed in Akwa Ibom, of \$10.96 million or 95.68% in Q2, so that inflows were reduced to just \$0.50 million in Q2, from \$11.45 million in Q1. Year on year, the State's decline were less sharp, at \$164.94 million or 24.99%. Abuja also saw a continuation in the drying up inflows, with the administrative capital importing just \$1.27 million, down \$0.22 million or 14.66% from the preceding quarter and by \$2.71 million or 68.12% from Q2 of last year.





Table 5: Capital Importation By Investment Type

	2013				2014				2015	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	541,311,66	400,803,02	194,631,52	113,948,65	490,392,31	461,583,81	544,209,85	767,827,45	394,555,19	211,005,70
Foreign Direct Investment - Other capital	20,108,801	108,040	647,841	7,870,684	300,000	11,406,443	293,833	1,028,589	50,940	129,940
	4,930,550,3	3,934,211,2	3,532,526,4	2,719,286,9	2,260,360,7	3,875,352,4	3,770,371,4	1,542,076,3	1,139,382,6	1,846,078,4
	599,419,15	150,737,07		427,645,55	482,492,74	731,744,99	1,000,277,2	229,480,09	705,118,07	
Portfolio Investment -	220,537,32	402,552,86	171,315,83	248,830,15	126,337,57	310,037,24	357,098,67	231,544,91		286,531,09
Other Investments - Trade	-	-	-	-	14,700,000	1,370,109	5,082,881	877,053	-	-
	286,267,42	690,610,08	239,691,88	920,520,06	436,406,01	236,990,19	349,928,33	391,001,20	384,834,75	153,234,62
Other Investments -	1,733,975	-	-	2,475,000	-	-	-	-	-	989,990
			248,304,26	240,810,81		175,403,38	515,314,64	1,335,905,3		117,848,78
	6,600,572,1	5,617,661,6	4,418,753,7	4,681,387,8	3,904,553,9	5,803,888,6	6,542,576,9	4,499,741,0	2,671,594,4	2,666,355,5

**SOURCE: National Bureau of Statistics Abuja: Nigeria Capital importation 2015 report.**

TABLE 6: Capital Importation By Business Type

	2013				2014				2015	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
AGRICULTURE	17,101,912	318,269	40,100,000	24,850,000	15,075,000	219,090	833,867	8,194,000	2,675,000	50,000
BANKING	142,844,058	378,827,384	55,646,601	94,483,167	104,933,488	191,102,837	330,987,255	337,164,574	114,891,518	360,915,797
BREWING	17,150,733	15,636,969	3,819,423	755,160	-	-	-	-	0	-
CONSTRUCTION	19,062,815	4,332,640	22,291,628	2,029,114	10,630,095	4,617,424	4,879,701	35,562,029	4,301,976	3,238,196
CONSULTANCY	1,020,000	967,160	508,990	12,808,204	2,814,121	6,963,022	7,743,661	8,912,042	703,174	99,960
DRILLING	6,241,703	44,321	209,574	57,731	9,062	1,008,230	39,240,634	1,004,418	1,008,698	5,925
ELECTRICAL	1,496,020	1,621,469	4,459,397	3,360,460	5,953,890	1,792,317	5,840,000	2,435,000	834,965	73,387,272
							1,073,828,55			
FISHING	5,079,286	-	-	-	449,965	-	100,000	-	0	-
I T SERVICES	1,161,000	2,519,928	9,999,950	16,699,885	2,499,990	2,569,965	1,649,980	3,250,633	1,396,764	5,746,004
MARKETING	33,000	874,732	169,000	2,360,000	64,200	-	33,100	-	0	-
OIL AND GAS	3,517,526	70,827,930	1,623,920	53,651,240	201,136,358	3,830,811	3,158,514	46,459	9,473,213	4,864,327
PRODUCTION/MANUFACTURING										
SERVICING	360,593,483	145,523,943	105,631,725	19,219,783	32,363,643	53,580,539	110,487,275	354,876,563	6,285,057	12,833,239
	5,244,373,00	3,897,495,55	3,476,695,27	3,046,672,14	2,773,356,94	3,396,227,04	4,523,861,72	1,934,324,83		1,877,263,01
HOTELS	20,000,000	92,550	77,610	-	573,615	531,839	1,336,494	8,825,861	0	-
TELECOMMUNICATION	20,024,958	357,794,774	180,307,504	355,474,809	135,683,167	61,657,369	27,066,619	769,918,095	336,867,340	138,398,625
TANNING	-	-	-	-	-	-	-	-	0	-
TRADING	18,299,081	17,500,650	86,937,865	157,319,455	169,353,739	68,107,871	46,426,865	101,716,924	28,536,687	91,573,621
TRANSPORT	-	-	126,800	548,487	304,370	1,635,100	-	528,300	2,098,333	239,930
WEAVING	-	-	-	-	-	-	-	-	0	-
						1,179,023,30				
	6,600,572,11	5,617,661,62	4,418,753,74	4,681,387,86	3,904,553,97	5,803,888,60	6,542,576,95	4,499,741,04	2,671,594,489.	2,666,355,57

TABLE 7. Capital Importation By State

	2013				2014				2015	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
ABIA							9,710,919		-	-
ABUJA (F C T)	4,688,896	54,785,049	27,743,243	32,381,777	88,319,474	3,974,128	349,900		1,484,444	1,266,847
ADAMAWA	-	-	-	-	-	-	-		-	-
AKWA IBOM	-	2,000,000	1,552,113	249,990	937,268	659,936	3,668,859		11,450,000	495,000
ANAMBRA	3,143,984	-	619,645	109,965	-	30,046,631	16,940		-	-
BAUCHI	-	-	-	-	-	-	77,955		-	-
BENUE	-	-	-	-	-	-	-		-	-
BORNO	13,000,000	-	-	-	-	-	-		-	-
CROSS RIVER	10,960,000	-	15,600,000	-	-	-	-		900,000	-
DELTA	234,028	350,000	149,965	-	2,224,160	-	50,000,000		-	-
EBONYI	-	-	-	-	-	-	-		-	-
EDO	4,434,972	-	5,970,000	1,889,076	-	-	-		8,129,013	-
ENUGU	29,993,063	23,731	11,624,916	2,834,306	50,384,062	54,682,656	1,641,392		223,698	211,559
IMO	-	-	-	-	-	-	-		-	-
KADUNA	56,960	168,480	-	3,074,831	1,579,399	1,513,396	8,100		-	-
KANO	709,905	599,970	283,826	1,081,770	-	524,966	-		-	-
KATSINA	-	-	-	-	-	-	-		-	-
KOGI	2,149,815	-	-	-	-	-	289,800		1,772,000	-
KWARA	381,990	-	-	-	-	-	-		-	-
LAGOS	6,524,730,428	5,558,515,448	4,351,046,110	4,587,967,505	3,758,068,266	5,707,542,930	6,471,529,904		2,646,001,566	2,663,782,171
NIGER	-	-	-	-	-	-	-		-	-
OGUN	3,564,574	654,946	1,060,525	5,010,582	346,397	954,489	2,208,226		133,770	600,000
ONDO	-	-	-	-	-	-	-		-	-
OSUN	-	-	-	-	-	-	125,000		-	-
OYO	1,173,498	500,000	2,103,401	41,303,061	794,950	3,989,477	-		-	-
RIVERS	1,350,000	-	1,000,000	5,485,000	1,900,000	-	2,949,965		1,500,000	-
SOKOTO	-	-	-	-	-	-	-		-	-
YOBE	-	64,000	-	-	-	-	-		-	-
TOTAL	6,600,572,112	5,617,661,624	4,418,753,744	4,681,387,863	3,904,553,976	5,803,888,609	6,542,576,959		2,671,594,490	2,666,355,577

## 5.6 Analysis.

Despite efforts by the Federal Government to attract investment into the country, the above data indicated that Foreign Direct Investment (FDIs) in the country in the third quarter of the fiscal year 2013 declined considerably as portfolio investors in the country pulled away over \$7 billion during the period. Giving a breakdown in the 2013 \$4.91 billion FDI inflow was lost during the quarter while portfolio investments also declined by over \$3 billion in the same period. At US\$4.91 billion in Q3 2013, aggregate foreign capital inflow declined by 42.8 per cent from \$8.58 billion in Q2 2013 due to the decline in both direct investment and portfolio investment inflows. Direct investment inflow declined from \$1.47 billion in Q2 2013 to \$0.86 billion in the review period. Similarly, portfolio investment inflow declined by 52.3 per cent from \$6.52 billion in Q2 2013 to \$3.11 billion in the review period. Other investment inflows increased by 59.5 per cent from \$0.58 billion in Q2 2013 to \$0.93 in Q3 2013.

Portfolio investment inflow remained dominant and accounted for 63.4 per cent of total foreign inflows while direct investment inflows accounted for 17.6 per cent of total. Other investment inflows accounted for the balance. The available data revealed that foreign exchange inflows to the economy in Q3 2013 stood at \$38.49 billion as against \$38.17 billion recorded in Q2 2013 indicating a marginal increase of 0.9 per cent. Inflows through the Central Bank increased by 25.6 per cent from \$9.44 billion in Q2 2013 to \$11.86 billion in the review period while inflows through autonomous sources declined by 7.3 per cent to \$26.64 billion. Outflows in the Q3 2013 increased by 5.6 per cent to \$13.36 billion as against \$12.65 billion in Q2 2013. Consequently, a net inflow of \$25.14 billion was recorded in Q3 2013 as against \$25.51 billion in Q2 2013 indicating a decline of 1.5 per cent. The CBN

component of foreign exchange flows recorded a net outflow of US\$0.81 billion during the review period in contrast to a net inflow of US\$3.1 billion in Q2 2013.

As at end-September 2013 stood at \$44.11 billion as against 44.96 billion in the preceding quarter (indicating a depletion of US\$0.85 billion). It continued: Aggregate demand for foreign exchange by the authorized dealers during the review period amounted to \$9.69 billion as against \$8.13 billion in Q2 2013 indicating an increase of 19.1 per cent. A total of \$8.17 billion was demanded at the wDAS as against \$6.84 billion in the preceding period, an increase of 19.4 per cent. Similarly, demand by the BDC operators increased by 17.5 per cent from US\$1.30 billion in Q2 2013 to US\$1.52 billion in the review period. The total amount supplied in Q3 2013 stood at US\$9.26 billion compared with US\$8.42 billion in Q2 2013. Out of the total amount supplied, US\$7.73 billion was to the wDAS and US\$1.52 billion to BDC operators as against US\$7.12 billion and US\$1.30 billion, respectively, in Q2 2013.

From the scenario above, it is right to argue that a combination of factors apart from Boko Haram terrorism might constitute the reason for the decline of Foreign Direct Investment in Nigeria over the period considered. However, if you consider the spate of terrorist activities carried out by Boko Haram during the period it could possibly explain the reason for the decline. Some interviews were granted to stakeholders of some Foreign Owned Companies particularly in the hospitality, service, telecommunication and Fast Moving Consumer Goods. Their submissions pointed heavily to insecurity caused by Boko Haram terrorist activities as deciding factor in the decline of Foreign Direct Investment in Nigeria.

## **5.7 BokoHaram and FDI in Nigeria: Interviews Granted**

The recent appraisal of the economy, for the first quarter of 2015 by the Lagos Chamber of Commerce and Industry (LCCI), brings to view once again, the worrisome impact of security threats in the country – the northern part of the country in particular. According to the Chamber’s President, Alhaji Remi Bello, the security situation has become a major factor affecting the confidence of investors. He stated that it has affected investors in the following ways: The economies of many of the affected states have suffered major setbacks in investments and job losses; Many investors, especially Small and Medium Enterprise (SMEs), are relocating while others have actually left the country. Inventory and stocks of many companies have been trapped in some locations in the affected states; Many firms, especially in the consumer goods sector, have lost up to 30 per cent of their sales as they can no longer access most part of the northern market; Manufacturing firms sourcing raw materials from the north are now facing serious challenges; Projects funded by banks in the affected states are now at risk; Negative perception has been created for the country, making it more difficult to attract investors; Many bank branches have been closed, while the working hours for others have been drastically reduced; Sales representatives of many companies have fled the affected states; Many projects under construction in the north have been abandoned; Security budgets have been scaled up by many firms. Bello said: “We are aware that government is doing its best, but evidently a great deal still needs to be done to restore normalcy and investors’ confidence. There is the need to strengthen intelligence as this is critical to any strategy in tackling terrorism and insurgency.”

### **Fast Moving Consumer Goods (FMCG)**

Nigeria’s fast moving consumer goods (FMCG) sector has been affected drastically Boko Haram terrorist activities. This Islamic militant group that has for

some time now, had the north in its grip. Past reports have shown that the sector, which has witnessed spectacular growth since 2008, faces prospects of much lower earnings performance, following increasing security threats from the militant group. The FMCG sector recorded growth from \$884 million in 2008 to a 2011 estimate of \$1 billion. Reacting to this issue of insecurity in the north, recently retired Executive Vice Chairman of Honeywell Flour Mills Plc, Folaranmi Babatunde Odunayo, said:

“In Nigeria, we are more concerned with the instability in the north. There are underlining things that are suffering. Trade is suffering. How are we coping? We are redirecting our efforts in other markets to see whether we can have some edge above competition. What we cannot achieve in certain areas we achieve in others. In the meantime, the bottom line is that for any business to survive, you need stability and for any nation to survive in the long run, you need stability. If there is no stability in a nation, the nation won’t progress.”

Kachi Anubogu, Marketing Director, Promasidor Nigeria Limited, said: “Wait until the companies start declaring their first quarter results and see how companies’ earnings have plummeted.” Investigation has revealed that escalating costs of sales and operating costs eroded profit margins of consumer goods (foods) companies like Flour Mills, Nestle, Cadbury and Dangote.

According to findings, input costs in Nestle rose by 30 per cent of sales year-on-year from N43.9 billion in 2010 to N57.2 billion while marketing and distribution expenses increased by 10 per cent. Also cost of sales rose in Flour Mills of Nigeria from N103.0 billion in third quarter of 2010 to N123.22 billion in the corresponding period of 2011. For Dangote Sugar, cost of sales increased from N50.70 billion in 2010 to N68.90 billion. This rise in sales costs cannot be disassociated from the state of insecurity up north, which came with high cost of transporting products to the region – a large market for consumer products.

Commenting on the impact of the Boko Haram crisis on his company, Keith Richards, Managing Director of Promasidor Nigeria Limited, said in a report: “You know with the borders closed a lot of formal and informal exports are not happening. People are not coming from Chad, Niger, Cameroon and Mali. So you see a downturn in demand. The North is important to us. A lot of our brands are doing very well there. “But now there is a big impact from the Boko Haram crisis. And I know all the businesses in the FMCG are affected too, especially with products like beer, soft drinks, tobacco. There is a major impact on the economy. We are probably losing 5 to 10 per cent of the sales that we would normally have in that region.” Cedric Bra, analyst at Euromonitor International, a consumer market research organisation, warned that the growing modern retail market in Nigeria risks being compromised due to security concerns in northern parts of the country. British soap maker, PZ Cussons, once warned it was likely to report disappointing full year profits, pointing to political upheaval in Nigeria, challenging trading conditions in Australia and high raw materials costs. PZ Cussons said it was monitoring social and economic tensions in Nigeria closely, after gun and bomb attacks by Boko Haram in Kano killed at least 186 people. Analysts say the consequence of the upheavals in Nigeria on PZ Cussons is an indication that other FMCGs may be in for bigger challenges, adding that their bottom lines would be adversely affected and by extension, that job losses are likely, if things do not change for the better. Investment analysts say that the impact of the sectarian violence, political instability and ripple effects of the Euro economic crises have brought manufacturing and investors’ confidence to their lowest points in recent years. The World Investment Report (WIR) of the United Nations Conference on Trade and Development (UNCTAD) said that the Nigeria’s domestic economy lost N1.33 trillion Foreign Direct Investment (FDI) to the Boko Haram crisis. According to the report, FDI flows to Nigeria fell to \$6.1 billion (N933.3 billion) in 2010, a decline of about 29 per cent, from the \$8.65 billion



(N1.33 trillion) realised in 2009 fiscal year. Similarly, 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 records show that FDI represented an about 78.1 per cent drop from \$3.31 billion in 2009. Closely related to the FMCG issue, is the impact of the crisis on food supplies from the North to the South. Nigerians in the southern part of the country may need to brace up for an impending food supply problem and accompanying higher prices for a long time as food supplies from the North, which account for over 70 per cent of national consumption, are dwindling by the day, on account of the Boko Haram crisis.

### **Telecommunications**

The Boko Haram crisis which is the cause of insecurity in the country, has taken the lives of many business people and displaced others, ruining many businesses and revenue sources to the nation. Not too long ago, the Executive Vice Chairman, NCC, Dr. Eugene Juwah, disclosed that the expansion of telecom facilities in the country has increased the inflow of foreign direct investment, FDI from \$18bn in 2009 to \$25bn (N3.9trillion). In 2009, the industry's FDI stood at \$18bn but grew significantly to reach N3.9 trillion about \$25bn. The \$7bn FDI increase represents about 39 per cent growth in the total investment inflows into the country telecoms sector. However, stakeholders in the sector had opined that the sector may be under threat with the recent bombing of 30 telecoms infrastructure in Yobe, Gombe, and Kano Borno and extremist sects popularly known as Boko Haram. Stressing that it is a great setback for local and Foreign Direct Investment inflows into the nation's telecommunication sector and unprecedented in the history of telecoms sector. Affected operators Daily Sun checks revealed that worst hit by the attack is MTN Nigeria, Etisalat, Airtel, Globacom, Multi-Links, Helios Towers, IHS and other ISPs. According to MTN

Nigeria's company's Corporate Services Executive, Mr. Akinwale Goodluck, the attacks by unknown persons had caused service challenges in parts of the North as sensitive hub sites had also been affected. "We confirm that like all the other major telecommunication operators, some of MTN's installations in Northern Nigeria have been damaged by unknown persons.

As far as we are aware, there were no fatalities as a result of these attacks and we are receiving full co-operation from the relevant government security agencies. "The attacks are unfortunate as the facilities built by MTN Nigeria and indeed other telecommunication companies are key to the ICT revolution in Nigeria and the accelerated socio-economic development of our nation" Goodluck said the company was already working to restore services as quickly as possible to minimize the impact to subscribers. "We seek the kind understanding of our esteemed customers in the affected areas in Northern Nigeria, who may have experienced congestion or outright network failure. We are intensifying efforts to restore normal services as soon as possible," he said. Gains In October 2011, the United States Embassy in Nigeria, released a fact sheet of the Nigeria telecommunications saying, "the ICT sector is the fastest-growing and most robust sector of the Nigerian economy, which was contributing more than the manufacturing, banking and solid minerals sectors combined". Telecoms, it noted is Nigeria's cash cow, next only to Oil and Gas. Also, a study by London-based research firm, Pyramid Research, indicated that revenues generated by the telecoms industry amounted to \$8.6 billion in 2010 and has maintained a steady growth.

While Pyramid Research predicts in the report that revenues will hit \$11 billion (N1.7 trillion) by 2013. Large amount of the revenues have significantly boosted the receipt of many government agencies through tax and levies paid by the operators. Some of these include Corporate Income Tax, Value Added Tax,

Annual Operating Levy and Import Duties on telecoms equipment. Other beneficiaries of the prosperity of telecom sector's buoyancy include National Lottery Regulatory Commission, which gets a certain percentage of the star prizes of any promotion being run by the operators, the Consumer Protection Council, state and local governments, which impose all manner of levies on the operators. The terrorists had boasted that they did bombed the facilities because the telecoms had given privy information of their whereabouts to security agents. They claimed ,the operators had been warned before the attack but because they had not listened to wise counseling. Daily Sun gathered from a top echelon of one of the telecoms, who pleaded anonymity that these people registered their SIMs as individuals and not as Boko Haram, so why the violent attack on telecoms? Currently, Nigeria has less than 23,000 base stations while other climes have over 70,000. BTS have always boosted the value of mobile communication and broadband services in advanced countries. Industry watchers noted that if the country is still struggling with QoS and trying to build more infrastructure ,that the bombing was not only targeted at these investors but the country to make the security porous. While appealing to the government to make into law telecoms infrastructure as critical infrastructure to avert impending doom for the country. Reactions Meanwhile, President, Association of Licensed Telecommunications Operators of Nigeria, ALTON, Engr. Gbenga Adebayo described the extent of damage on the Information and Communication Technology infrastructures as 'great setback for the economy and threat to further investment' in the telecoms sector.

“Beyond the issue of damage to our infrastructure and as well as the attacks, there is also the trauma of the personnel posted to the affected sites for day-to-day maintenance. We can only call on the government to assist. We have made representations the government and we are getting their support. “It is a major setback for us as an industry and it is capable of discouraging investors and I must also say that it has also created a situation where investors are beginning to see

Nigeria's economy as not being safe for investment again and that is why I say it is a major setback for the industry.” Adebayo, particularly lamented that with the number of telecoms base stations torched numbing about 30, it has caused telecoms operators great losses in terms of investment, adding that the negative impact of the bombings were not only being felt by subscribers in the affected areas but also nearby areas which are connected to hub stations that were destroyed during the attacks. According to him, Some of the telecoms towers destroyed are hub sites that connect to several other base stations and the impact in terms of service disruption. Another Stakeholder, Chief Executive Officer, Main One Cable, Funke Opeke explained that such drastic action, has posed serious security concerns especially when people cannot communicate in real-time with one another, especially during emergencies.”

She noted that the situation could not be left in the hands of the government alone and called on all stakeholders to partner with the Federal Government to forestall future occurrence and improve the security situation in the country. Also speaking in the same vein, Chairman, Logica Media Group and telecoms analyst, Otunba Biodun Ajiboye, who described the attacks as shocking, said development was the worse-ever in the history of telecoms development in the country. “We have never had any damage to telecoms infrastructure in this magnitude to telecoms infrastructures in this country and this has caused great infrastructural setback both to the operators and to the country as a whole. “This is a very big blow and setback to infrastructure and asset development in Nigeria. Without an iota of doubt, infrastructure expansion costs telecoms lots of money and in spite of that, we still complain about the quality of service. So, the challenges being faced in the affected areas now is better imagined than discussed. “Millions of subscribers ,no doubt will groan under poor service quality, businesses and government institutions in the areas will suffer and finally, the colossal damage has cost telecoms operators billion of naira in damage.”

Adding that operators' enthusiasm in extending services to places not yet covered by their networks especially in the upper northern parts of the country has further been dampened, due to rising spate of insecurity "With the targeted attacks on telecoms facilities, which cost a lot of financial investment to build, foreign direct investment into the sector, which has grown from about \$500,000 in 2001 to over \$25bn till date will remain sluggish in terms of growth as investors will shun Nigerian for other countries." It would be recalled that before the attacks almost all the operators had one tale of woe or the other to tell that include inadequate power from the national grid, theft ,vandalism of equipment, sabotage, multiple regulation, multiple taxation, which have limited the scope of achievements of the sector, especially in the area of quality of service .

MTN for instance had claimed to experience more than 70 cuts on its fibre network nationwide on a monthly basis, affected by violent attacks on some of its facilities before, carried out by insurgents. Presidency reaction Unconfirmed report, had it that, President Goodluck Jonathan had hinted shortly after the attack that if some people could bomb telecommunications equipments because of sentiments, it only goes to say that ,they don't want communication in the North. The Executive Director, Commercial and Business Development, IHS, Gbenga Onakomaiya, whose company was lost base stations noted that, repairs could take six months as some of the equipment would have to be imported. "It could take as much as six months because we have to import the equipment and other issues. In our case we can commence restoration immediately as we have access to take equipment from our warehouse and restore between one and two months, depending on the nature of damage. "However security concerns and safety of our personnel is of utmost concern and real, as another attempt was made on another site ." Onakomaiya said that it would have been his company's fourth base station to be destroyed but said the attack was foiled and damage was minimised.

## **Lafarge Africa**

Between November, 2014 and April, 2015, a period of six months, Lafarge Africa incurred financial losses of N2.5 billion as a result of the Boko Haram insurgency in the Northeast. The company, which recently merged with Switzerland-based Holcim, to create the most advanced building materials investment group, incurred the heavy losses because it could not meet its sales projections due to the insecurity in the region. Although normalcy has since returned to the company's operations, according to its Group Managing Director/Chief Executive Officer, Guillaume Roux, the N2.5 billion financial losses is not the company's only worry. Lafarge Africa is also worried about the threat Boko Haram poses on its over \$100 billion business expansion drive, particularly in the northern region. Roux said: "Today we have up to 8.5 million tonnes in the country and we want to double that capacity in the next five years. We are expanding in Calabar and we want to expand in the north. So this project of \$100 billion expansion in the north is key because there's a market; it's key because there's growth and it's been an essential project for us."

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

Ashakacem capacity from the current one million metric tonnes to four million metric tonnes.

His words: “Lafarge is a long term investor and this necessitates uninterrupted operations despite the insurgency that we have witnessed in recent times. Of course, we seen security as a key ingredient for our continued operations and this is why we are a willing ally with PINE in restoring normalcy and rebuilding the region.” However, Lafarge Africa is only an addition to the long list of manufacturing firms in Nigeria desperately craving uninterrupted operations and is ready to give an arm literally for the restoration of normalcy in the devastated region. Boko Haram’s insurgency is also taking a huge toll on Spectra Industries Limited, makers of Suco beverages. Its Managing Director, Mr. Duro Kuteyi, told The Nation that because his company’s distributors are in the Northeast and Northcentral – the epicenter of the sect’s activities, the fortunes of his company have dwindled.

Kuteyi, who is also National Vice Chairman of Nigeria Association of Small Scale Industrialists (NASSI), lamented: “Our core business is in the North, and our distributors complain of low sales as people are scared of visiting the markets or big malls; customers take their time to shop because of bomb scare.” Customers, he said, are skeptical about the safety of doing business or even doing their personal shopping, so the situation has affected his company’s profitability. “The security situation, especially the bombings and kidnappings are affecting our business,” he lamented, adding that as a result, the distribution of locally manufactured goods has been hampered. Indeed, these are trying times for manufacturers. The protracted armed insurrection has ruined their businesses, and by extension, the national economy. Real sector operators especially manufacturers including members of the Organised Private Sector (OPS) are agonising over the implications of the continuous erosion of investor’ confidence on the economy as a

result of the sustained bombing campaigns of the militant group. These are scary times for Nigerians and the economy. The Boko Haram insurgents are back this time with more ferociousness. It is not that at some point they halted their bombing campaign. Rather, six weeks into the postponement of the general elections, sustained military offensive yielded tangible results by dispersing the sect members and regaining some lost territories.

However, since the inauguration of the President Muhammadu Buhari administration on May 29, there has been resurgence. The carnage seems to have become a daily occurrence, as no day passes without gory details of huge casualties from suicide bombing by the dreaded group. As Founder, Forenovate Technologies Ltd, an Abuja-based security risk management consultancy/ICT training firm, Mr. Don Okereke, put it, “The military offensive resulted in dispersing the sect members; those that survived the onslaught on their Sambisa camp quickly melted into mainstream society.

For real sector operators and indeed, government, the dry up of Foreign Direct Investment (FDI) due to rising insurgency is a bitter pill to swallow. Since 2009 when the group forced their way into national consciousness for all the wrong reasons, FDI has been dropping sharply, sending shock waves down the spine of the authorities. This is so particularly since last year when declining price of oil in the international market caused serious fiscal upsets for Africa’s largest economy. For instance, the World Investment Report (WIR) 2013 says FDI flows into Nigeria dropped by 21 per cent in just one year – from \$8.9 billion in 2011 to \$7 billion in 2012. This translates to loss of \$1.9 billion, a figure considered unacceptable for a country in dire need of shoring up its revenue.

That is not all. Nigeria’s economic growth rate is also far from inspiring because of insurgency. For instance, figures from the National Bureau of Statistics (NBS) released sometime in 2014 indicated a drop in first quarter growth to about 6.21



per cent, from 6.77 per cent obtained in the fourth quarter of 2013. Citing the ‘Global Peace Index’ rankings for 2014, which rated Nigeria second most deadly country for terrorism after Iraq, experiencing 140 per cent increase in deaths to about 4,392, Okereke said the consequence of this is that economic activities in those areas are being crippled daily. From manufacturing/production to retailing, hospitality to tourism, real estate to agriculture; virtually every business activity and human endeavour is at the receiving end of this insurgency/terrorism,” the UK-trained Security Analyst told The Nation.

### **Hospitality Industry**

A negative perception problem created for Nigeria by the insurgents is not only responsible for the drop in FDI and slowing growth rate, but also responsible for the dwindling fortunes of operators in the hospitality industry. “Tourism and hospitality is comatose in most northern states,” Okereke pointed out, adding that even places of worship considered sacred are not spared by the rampaging sect. He said at moment night life has disappeared in most of the northern states, with telling effect on hotel owners/operators’ profitability. Mr. Don Okereke Founder, Forenovate Technologies Ltd, an Abuja-based Security Risk Management Consultancy/ICT Training Firm. According to him, most people now remain indoors as early as 6pm to 7pm. “Nobody wants to go to a place that is insecure. Remember that terrorists bask on exerting mass casualties hence they mostly target places with high population,” he said. To drive home his point that businesses in the northeast part of the country are fast losing grip because of the Boko Haram carnage, he said: “I was born in the North, a place I still have a strong affinity for. I vividly recall childhood experiences of all members of my family sleeping under Dogonrayo (Neem) trees from dusk to dawn due to the high temperature with no threat to our lives or property. But not anymore since the insurgents started their operations, the region has continued to witness the lowest tourists’ arrival,

including business visits. Also, there has not been any opening of an international branded hotel. Most amusements parks, eateries, restaurants, bars, and other public relaxation points have closed, as people heed calls by security experts and the authorities to avoid such places. With sharp reduction in occupancy rate of hotels and recreation facilities, the implication is that states considered Boko Haram hot spots continue to lose huge revenues that would have been accruing to them as tax and other tourism-related businesses, including revenues from parks, new bars and restaurants that would have sprang up. Mr. Don Okereke Founder, Forenovate Technologies Ltd, an Abuja-based security risk management consultancy/ICT training firm.

**Table 8: Nigeria and other West African Countries on the Global Peace Index Ranking**

S/N	Country	GPI Scor	GPI Ran	GPI Scor	GPI Ran	GPI Scor	GPI Ran	GPI Scor	GPI Ran
1	Ghana	1.76	52	1.78	48	1.75	42	1.81	50
2	Sierra Leone	-	-	1.82	53	1.90	61	1.86	52
3	Burkina Faso	1.91	71	1.85	57	1.83	51	1.88	56
4	Gambia		-		-	1.91	62	1.96	74
5	Senegal	1.98	80	2.03	79	2.05	77	1.99	78
6	Guinea		-		-	2.13	92	2.07	92
7	Guinea Bissau	-	-	-	-	-	-	2.11	95
8	Liberia	-	-	2.15	99	2.16	97	2.13	101
9	Mali	2.09	96	2.24	109	2.19	100	2.13	102
10	Benin	-	-	-	-	-	-	2.23	114
11	Niger	-	-	-	-	2.36	119	2.24	116
12	Mauritania	2.48	124	2.39	123	2.43	130	2.30	125
13	Cot d'Ivoire	2.34	117	2.30	118	2.42	128	2.42	134
14	<b>Nigeria</b>	<b>2.60</b>	<b>129</b>	<b>2.76</b>	<b>137</b>	<b>2.74</b>	<b>142</b>	<b>2.80</b>	<b>146</b>

**Source: Compiled from Global Peace Index**

**(2009-2012)**

With these indices, It could be seen that the insecurity situation in Nigeria from 2009 is unprecedented. In addition to the usual crimes, the coordinated attacks from the Boko Haram sect in the northern part of the country, besides making

life miserable for Nigerians, has affected so many businesses operating in that region. The bomb explosions initiated by this group have been on the increase leading to enormous loss of life and property and a general atmosphere of fear and social tension in the country. Statistics have also indicated that in the last one year, there is a significant decline in peace as Nigeria dropped four places to 146<sup>th</sup> out of 158 countries in the 2012 Global Peace Ranking. In fact, Nigeria has been identified as the least peaceful country in West Africa (GPI, 2012). According to Igbuzor (2011) West Africa is among the most unsecured region in the world and Table 8 below indicates that Nigeria is the most unsecured country in the region as it has consistently ranked high among the countries in West Africa. On the contrary, Ghana a neighbouring country to Nigeria has consistently ranked low and is taken as the most peaceful country in the region. The reason for looking at the global peace index is to xray the security situation in Nigeria viz-a-viz other African countries.

## **5.8 Findings.**

- Value of capital importation by quarter, result show, represented a drop of 0.20% quarter on quarter four a period of four years.
- Capital importation by investment type particularly equity investment suffered greatest losses, accounting for 74.2% overall decline for a period of four years.
- Capital importation by business type especially financing saw the greatest absolute declines of inflow in all business categories down to 93%, quarter on quarter.
- Capital importation by state of destination declined too, apart form lagos state, all other state in the federation witnessed decline. Abuja worrisomely, saw a continuation in the drying up of inflows as percentage decline of 68.1% was statiscally recorded.

- Information from interview gathered from the Fast Moving Consumer Goods sector (FMCG) revealed that the rise in sales costs for a period of five years now cannot be disassociated from the state of insecurity up north, which came with high cost of transporting products to the region – a large market for consumer products.
- Lafarge Africa, a company into building construction which recently merged with Switzerland-based Holcim, to create the most advanced building materials group, incurred financial losses of N2.5 billion for a period of six months as a result of the Boko Haram insurgency in the Northeast. It incurred the heavy losses because it could not meet its sales projections due to the insecurity in the region from interview gathered.
- Stakeholders in the Telecommunication sector had opined that the sector may be under threat with the recent bombing of 30 telecoms infrastructure in Yobe, Gombe, and Kano. From interview gathered the MTN for instance had claimed to experience more than 70 cuts on its fibre network nationwide on a monthly basis, affected by violent attacks on some of its facilities before, carried out by insurgents.

## **CHAPTER SIX**

### **GOVERNMENT RESPONSE TO CURBING THE ACTIVITIES OF BOKO HARAM.**

#### **6.1 National Security and the Management of Domestic Terrorism in Nigeria**

The maintenance of law and order in Nigeria in recent times has been very challenging such that the ability and capacity to manage the country's National Security by the Security Agencies is being doubted by the citizenry. Primarily, the Federal Government is charged with the responsibility of using the military, police and other security agencies to protect every citizen from all forms of security threats and incidents like armed robbery, kidnapping, civil disorder, large scale violence, insurgency, killing, bombing and other forms of security breaches. However, the opposite appears to be the case, judging from the spate of unfortunate series of violent attacks, killings and bombings being carried out by the so-called Boko Haram since 2009.

The negative impact of this ugly situation on the country generally cannot be estimated on the economy as well as human lives and property. In fact, the state of affairs of the country over the activities of the dreaded Islamic sect is now a big source of worry to all lovers of the country, especially, the Security Agents who are receiving all sorts of odium from the top Government brass and the citizens. It is therefore pertinent to ask this question, what went wrong? The finding of a study by some private security experts has identified militancy mismanagement as part of the causes of the prevailing insecurity in Nigeria. From the position of Cesare Lambroso on causes of crimes, it is evident that certain crimes are committed as a means of protesting against the state or establishment rather than being biological (Dearn, 2011). Simply put, only below ten percent of the society population will naturally have the passion and pride to commit any type of crime. The same is

applicable to Nigerians, after all it is said that Nigerians are the happiest in the world. The issue here is that extremists who have taken to domestic terrorism, in the Niger Delta region through the formation of various youth militias and that of Boko Haram in the northern part of the country are saying that since nobody wants to listen and engage them, perhaps, violent as a means of expressing their grievances may be the best option. Of course, this has proved to be a truism because once these groups carried out their attacks, the Government will be calling for a dialogue. Research has also revealed that in Nigeria, the militant incidents have been targeted mainly at Governments and her Institutions and Officials, although, with innocent Nigerians and sometimes, Foreigners as casualties.

To a large extent the remote causes of the violent crimes is inherent in failure of good governance by the political elites and their collaborators since the return to civil in 1999. For example, before the government could respond to the agitations of the people of the Niger Delta, through Amnesty Programme, over the years the people have suffered from neglect, political, marginalization, environmental degradation as a result of oil spillage and oil exploration without adequate compensation by the Nigerian State and the Transnational Oil Companies operating in the region through the provision healthcare, schools, infrastructures and other corporate social responsibilities (Adesote, 2010). The same case is applicable to Jama'atu ahlus sunnah led da'awati popularly known as Boko Haram. According to its founder, Muhammed Yusuf, in an interview, "the law enforcement agents are fighting me because of my faith in Islam and belief that Western education is a sin". Recently, the Group demanded the trial of the former Borno State Governor, Alhaji Sherif and institutionalization of Sharia in the 12 core States of Northern Nigeria, prosecute those who killed their leader, among others. As can be deduced, the Group is making some demands which they believe that is real and achievable (Dearn, 2011). Despite the fact that most of their

demands are certainly not achievable, they deserve attention. The Boko Harm may have a point here because as they claimed purest Islamic Group, they are disenchanted the way their political leaders whom they had respect for now practice Islam. Contrary to Islamic injunctions, their political leaders, we can agree with them, have resorted to barbaric acquisition of wealth, indecent personal life styles which are offensive to Islamic culture, their political and economic subjugation and social alienation of them. Since they could not have access to the perceived "Islamic dissidents" to lay their complaints, domestic terrorism becomes their only means of venting their anger to the Governments and the helpless Nigerians (Dearn, 2011). Since domestic terrorism is now the major security challenge facing Nigeria, then, how best can we abate it? According to Dr Ade Abolurin, the Commandant-General, National Security and Civil Defence Corps (NSCDC), security was everybody's business; hence no citizens must be apathetic to matters related to enhanced security in the country.

As a way out, the country, especially the Governments must embrace Democratic Policing instead of Militarized Policing of the Nigerian Polity. In practicing Democratic Policing, all the civil courtesies are accorded to the Citizens. By this we mean that our Leaders must sufficiently interact and dialogue with them irrespective of their perceived jaundiced reasoning and behaviours so that their bottled up angst will never result to violent complaints in the name of killing, bombings, among other heinous crimes committed against the State and the innocent citizens(Dearn, 2011). The Government and Security Agents should understand that Preventive Security Management is now in vogue worldwide and as such efficient and effective Security Management is no longer measured with the quantum of Armed Personal Carriers, APC, hilux pick up vans with siren, assault rifle, canisters, and so on that are deployed in major streets. For example, the former Inspector General of Police (Mr. Hafiz Ringim) after receiving costly

security equipments from the Borno State Government declared that the days of Boko Haram were numbered, and in fact within few days they struck to totally demystify him and his men by taking the war to his office, thereby justifying the above assertion (Nigerian Tribune, 12 January,2011). This is to say that Governments and the Security Agencies should deploy more financial and human capital resources to the management of security intelligence and surveillance. After all, these criminal elements are living among us. In other words, no matter their operational modalities, some members of their community know who they are, what they are doing and how they operate; which simply means that with proper security public enlightenment programmes and projects, they can be easily fished out and dealt with according to law before they can cause security breaches.

An important institution that has crucial role to play in resolving conflicts that usually result to militancy attacks is the National Orientation Agency (NOA). Based on the demands of the Islamic sect, of which some of them may not be feasible, we think that, the first, assistance they need is re-orientation. Perhaps based on the earlier indoctrination they had received, they need to be engaged by NOA and be re-oriented and re-integrated into the Nigerian Agenda which is based on Unity in Diversity. They should be made to understand that they do not have any other country than Nigeria and as such, they stand to gain more in a united, virile, and strong Nigeria than disintegration. They can simply be reached and engaged via their community and enlightened religious leaders since they appear to have lost confidence and trust in their political leaders, who in their opinion have desecrated Islam. The Federal Government, on the other hand, should be more determined and proactive in facing the current challenges through revisiting her domestic and foreign policies. First, suspected Nigerians who were said to be sponsors of this dreaded Islamic sect in this present security quagmire should be tried according to the law. A situation where suspects and intelligence reports suspect some people and they are not questioned and/or tried, simply because they



are highly placed does not augur well for the nation. Certain facts are obvious if we must solve these security issues totally! For example, we must determine who recruits, brainwashes, feeds, trains, harbour, arm and protect these young lads who unleash these mayhems. Not until these real enemies of the country are fished out, prosecuted and punished, if found guilty, most of the efforts of the Government would be nothing but smokescreens and hogwash (personal analysis). The need to fight domestic terrorism in Nigeria generally calls for re-evaluation of her foreign policy most especially on national security. The government must establish cordial relations with developed countries such as the U.S, U.K, Australia, Germany, and the United Nations in wiping out terrorism through different programmes and approaches. For instance, in February 14, 2003, National Strategy for Combating Terrorism in the U.S emphasized the role of international cooperation, law enforcement and economic development in countering terrorism.

[<http://www.whitehouse.gov/news/releases/2003/02/20030214-7>. For example, Australian government have developed programme towards fighting terrorism in their country. Some of these programmes centered on the need to fight against poverty through promoting conducive environments to growth and effective delivery of services , addressing problem of weak governance and the establishment of a programme which focuses on building counterterrorism capacity such as border control and regional co-operation ([www.usaid.gov/au/publications](http://www.usaid.gov/au/publications)). Other countries in the crusade against terrorism is the United States of America. With the attack of September 11, 2001 which led to the bombing of World Trade Centre and Pentagon in Washington D C by Al-Qaeda led by Osama Bin Laden, the American President, Mr George Bush took frantic effort to tackle terrorism by declaring onslaught against terrorism and terrorists (Nigerian Tribune, Monday 12 March, 2012, pp 1-2) Our leaders, especially, the political elites should have a total re-think in terms of delivery of dividend of democracy to the electorate and comporting themselves while holding

public office. As pointed out earlier in this research, the failure of western democratic system was said to be one major reason for this ugly situation. The region where this dreaded Islamic sect originated from has the highest poverty rate, and thus the poorest region in the country. According to Dr. Yemi Kale, Statistician General of the Federation said at a Press Conference in Abuja that North West and North East geo-political zones recorded the highest poverty rate in Nigeria with 77.7% and 76.3% respectively (Nigerian Tribune, Tuesday 14th February, 2012, pp1-2). A situation where Nigerian politicians only associated with barbaric acquisition of wealth and property through public corruption and to the chagrin of the impoverished Nigerians is now part of the violent reaction by the people. Undoubtedly, this flagrant and wanton display of this ill gotten wealth relatively induces some weak-minded citizens to take to criminality and violence as means of survival in a society that does not have any plan for them. As a result, at any slightest provocation, people resort to violent crimes as an alternative means of complaint.

Besides, one could equally be tempted to engage in act of criminality as alternative means to survive. Thus, it is high time our leaders lived up to their constitutional responsibilities to the citizenry. The Anti-graft agencies are expected to be proactive rather than remain as toothless bulldogs. Another important strategy of combating domestic terrorism in the country is for the government to reevaluate her domestic policies. First, for the purpose of promoting national security in the country, the adoption of holistic approach which includes both preventive measures and long-term measures towards addressing conditions conducive for the spread of domestic terrorism be pursued vigorously. In fact, it is expected that these two elements should form a key compromise among the parliamentarians in the National Assembly by adopting the strategy through consensus. It could reiterated that conditions conducive for the spread of domestic

terrorism include: “poverty, prolonged unresolved conflicts, lack of rule of law and violations of human rights, ethnic, national and religious discrimination, political exclusion, socio-economic marginalization and lack of good governance. Therefore, effective implementation of this strategy would result in “commitment to the realization of the Millennium Development Goals and the determination to pursue and reinforce development and social inclusion agenda at every level , especially on youth unemployment, and as well could reduce marginalization and the subsequent sense of victimization that propels extremism and the recruitment of terrorists (United Nations General Assembly, United Nations General Assembly Resolution 60/288, A/RES/60/288, New York, 8 September 2006).

More so, the need for partnership between governments, and Civil Society Organization (CSO) towards shorter-term preventive counterterrorism in the country is paramount. For example, interaction between governments and CSOs on the issue of small arms and light weapons can help to check its proliferation in the country. Similar efforts can also flourish between government and non-governmental experts seeking to address the threat of illicit transfers of biological, chemical, and nuclear materials to potential terrorists in the country if government re-evaluates its domestic policies. In other developed countries where the CSOs have been integrated into counter-terrorism, they are now making conscious and significant contributions on measures to prevent terrorism in the implementation and monitoring of security sector reform activities, which are linked to a state’s ability to carry out effective law enforcement and other security-related counterterrorism measures. Some CSOs, especially research organizations, also foster closer, cooperative initiatives involving states and other stakeholders to improve and raise awareness of threats and encourage collective action to address vulnerabilities (<http://www.sgppproject.org>). The UK Department for International Development, for example, has noted that: Improving civic awareness of security

issues is a starting point for improving relations between the security forces and the public, creating a national consensus on a reform programme, and building political coalitions to sustain the process. Civil society can also play more specific roles by facilitating dialogue, monitoring the activities of the security forces, and expressing views on security policy as well as providing policy advice. This may be particularly useful where state capacity is weak: the role of legislatures or other government departments in analysing security issues, for instance, can be greatly enhanced by assistance from specialist external campaigning groups or think tanks providing research and analytical support

<http://www.dfid.gov.uk/Pubs/files/supportingsecurity.pdf>).

Professional associations, Non- Governmental Organization (NGO), are critical sources of technical expertise and can act as independent contractors and carry out underground implementation of much counterterrorism-related capacity building. They are seen by many people as independent and reliable partners in the promotion of national security. The capacity-building effort and the capacity-building assistance channeled through them offer many advantages over government-to-government assistance.

A Professional association such as the Nigerian Bar association is crucial to strengthening the rule of law in the country. For example, in America, the American Bar Association conducts relevant rule of law programs worldwide on, among other things, anti-corruption, criminal law reform, human rights and conflict mitigation, and legal education reform. The International Legal Assistance Consortium (ILAC), an umbrella organization for associations of legal and human rights experts with experience in rebuilding justice systems, for example, works to conduct assessments of the legal and judicial systems in wartorn countries and to implement programs to help rebuild those systems. ILAC has recently carried out counterterrorism (specific training) on behalf of the government of Sweden (Eric,

Alistair, and Jason, 2008). This is a challenge to the Nigerian Bar Association. Development of good partnership between the NGO and the CSO towards fighting terrorism in the country is crucial. They both help to increase public awareness and understanding of human rights issues in the context of waging an effective campaign against terrorism, including by undertaking research and action at the local and national levels. By promoting the rule of law, engaging the media, sharing best practices, and disseminating other information, they help to bring attention to human rights abuses and encourage governments to improve their own adherence to human rights norms.

As acknowledged in the “Club de Madrid Series on Democracy and Terrorism,” “human rights organizations have continued to monitor the situation in most countries, and the information at their disposal has formed a valuable database for analyzing the long term repercussions of momentarily devaluing respect for human rights in favour of short-term security. Civil society actors on their own can articulate how respect for human rights and the rule of law is an essential part of any effective strategy to address the complex terrorist threat and its different forms and manifestations. (Asma Jahangir and Fateh Azzam, 2005).

On a final note, government can equally curtail the menace of the militants generally by engaging non-serving security experts, especially, retired military, police and paramilitary officers who live in all the communities of the country, mostly in the areas of security intelligence and surveillance. These ex-officers who have various security expertise and experience arising from their previous trainings and exposures while in service are in better positions to educate and reorientate members of their communities on the negative impact of militancy on our collective existence and national development.

## **6.2 Government's Approach in Combating Terrorism in Nigeria**

The approach of the Federal Government in tackling the Boko Haram terrorism has been predominantly military. Joint Military Task force (JTF) has been deployed to the affected Northern States for several years running. Interestingly, one of the agitations of the Boko Haram group has been that the government must withdraw the JTF from the Northern states. The government has equally invested heavily on provision of modern and sophisticated equipment for effective communication, fighting violence and insurgency in the country. Security commanded the largest portion of the 2013 budget leading to the installation of CCTV across Abuja the Federal Capital Territory.

Several officers and men of the Police and armed forces have undergone training in bomb detection and antiterrorism warfare outside Nigeria. The federal government equally ordered the trial of security officers involved in the extrajudicial killing of Mallam Muhammad Yusuf, the former leader of the Boko Haram Sect (*The Nation*, 2011). However, as at June 2014, the trials have not taken off, revealing a lack of political will to carry out government intentions. The federal government has not acceded to the request of some traditional rulers and the Arewa Consultative Forum that JTF troops be withdrawn from the North Eastern states as a result of continuing insurgency by the terrorist group (*The Nation*, 2011). The position of the government remains that the troops would be withdrawn when the group is completely subdued or surrenders. Unfortunately there has not been significant inroads in achieving any of the two. The government set up an eight-member committee to probe all incidents of insecurity in all the affected States (*National Mirror*, 2011). However, nothing noteworthy has emanated from the committee since its establishment. The Federal Government instituted a Team to negotiate Boko Haram Sect April 2012 which the Sect boycotted. Further, efforts at granting them amnesty which the government

proclaimed following the prompting of the Northern elite and some traditional rulers, was rebuffed by the group who claimed they were the ones to grant the government amnesty.

The federal government equally relieved the Ministers of Defence, National Security Adviser, and some Military Service Chiefs of their appointments, (*Vanguard*, 2012). At the appointment of their replacements, President Jonathan promised Nigerians that the government was poised to ground the terrorist group. Unfortunately, the insurgency has gotten worse two years after. The security agencies seem to be clueless as the boko haram terrorist group has become increasingly diffused and able to attack the federal capital territory Abuja at will. As at June 2014, the group had carried out two attacks in Nyanya, in the outskirts of Abuja, and Wuse 2 (25th June) the very heart of the federal capital, an attack at a privately owned shopping mall that left twenty one people dead and seventeen injured (*Channel News*, 2014). Unconfirmed reports in the media has been to the effect that the Boko Haram group possess military hardware that are more sophisticated than those of the Nigerian army. The claims seem to have some semblance of credibility with the inability of the army to overpower the terrorists for years now. The Nigerian military and security agencies are under-funded, ill-equipped and ill motivated to secure the nation. It is not enough to budget large sum of money for security, which end up in private pockets or being used to award spurious contracts for low quality CCTV in Abuja alone.

Nigeria's borders are not effectively controlled. The immigration service like other security agencies is under staffed, underfunded and ill-equipped to effectively man the borders. Nigeria has about 4, 084 illegal entry routes across the borders with its neighboring West and Central African countries, and only about ninety (90) entry routes are officially recognized (information provided by an officer, May 2014).

Imobighe (2003) identified 1, 500 illegal entry points along Nigeria's border with Benin and Niger alone. This makes it possible for terrorists to move through the borders and launch attacks and slip out of the country before the security agencies can react. This has happened several times especially in Borno state, where Boko Haram has concentrated its activities attacking from Cameroun unhindered. Residents of border communities have been reported to be hostile to immigration officials and other security agencies. They see the agencies as components of a government that has no regard for their existence. Basic infrastructure such; as electricity, portable drinking water, good road network, health-centres/hospitals, primary and secondary schools, among others are lacking in most border communities in Nigeria. As a result, the residents prefer to harbor and aid those who claim to be businessmen using the illegal routes to enter the country. such atmosphere frustrates

efforts of immigration and security agencies to effectively man the borders. The multi-track approach will be briefly discussed below;

#### □ **State of Emergency**

A state of emergency is a governmental declaration that may suspend some normal functions of the executive, legislative and judicial powers, and alert citizens to change their normal behaviours. It can be used as a rationale for suspending rights and freedoms, even if guaranteed under the Constitution. Such declaration usually comes during a time of natural or man-made disasters, during periods of civil unrest or following a declaration of war or situation of international or internal armed conflict.

In May 2013, President Goodluck Jonathan declared a state of emergency in Borno, Yobe and Adamawa states and deployed additional troops that with the help of vigilantes drove Boko Haram from most cities and towns .Earlier, a state of emergency was imposed in some local government areas in states like Borno, Plateau, Gombe in December, 2011. This was due to sporadic terror attacks by



Boko Haram in Borno and Gombe states and the continued attacks by suspected Fulani herdsmen in certain parts of Plateau State coupled with the tension between Christians and Muslims in the State.

The President declared a state of emergency in those states pursuant to section 305 (1) (2) (3) (4) (5) of the 1999 Constitution of the Federal Republic of Nigeria. Under subsection (3), the President is empowered to proclaim a state of emergency only when: (a) the Federation is at war; (b) the Federation is in imminent danger of invasion or involvement in a state of war; (c) there is actual break-down of public order and public safety in the Federation or any part to such extent as to require extraordinary measures to restore peace and security; (d) there is a clear and present danger of an actual breakdown of public order and public safety in the Federation or any part thereof requiring extraordinary measures to avert such danger; (e) there is any other public danger which clearly constitutes a threat to the existence of the Federation; (f) the President receives a request to do so in accordance with the provisions of subsection (4) of this section; and in extreme situation where the Governor fails to make the request (as provided for in subsection (5)). While Section 305 of the 1999 Constitution provides for the imposition of a state of emergency in the country or any part of it, the section also empowers the president to issue the declaration by way of official gazette. It added, however, that a two-thirds majority of the National Assembly must ratify the executive proclamation within two days, if the legislators are in session, or 10 days, if they are not, The President shall immediately after the publication, transmit copies of the Official Gazette of the Government of the Federation containing the proclamation including the details of the emergency to the President of the Senate and the Speaker of the House of Representatives, each of whom shall forthwith convene or arrange for a meeting of the House of which he is President or Speaker, as the case may be, to consider the situation and decide whether or not to pass a resolution approving the Proclamation.

Jonathan's state of war declaration was countered by those who argued that he had acted unconstitutionally because the insurgents' activities did not amount to the country being in a state of war. The position of this paper is that at the time of declaring the state of emergency, some northern parts of Borno state have been taken over by the group while allegiance was to different flags other than Nigeria's. Such actions could amount to a declaration of war and a deliberate attempt to undermine the authority of the Nigerian state and threaten its territorial integrity. No responsible government will tolerate such. In furtherance to the state of emergency, more troops were deployed in Borno, Yobe and Adamawa states to fight Boko Haram. The troops and other security agencies involved in the operations were to take all necessary action, within the ambit of their rules of engagement, to put an end to the impunity of insurgents and terrorists. The declaration of the state of emergency was not effective going by the level of the sect's activities as soon as the state of emergency was declared. (see subsection 4 above.) Since 2012, the Goodluck Jonathan government has increased the defence budget from 100 billion naira (\$625 million) in 2010 to 927 billion naira (\$6 billion) in 2011 and 1 trillion (\$6.25 billion) naira in 2012, 2013 and 2014. (See —FG spends N3.38 trn in 4 years on security, (Leadership Newspaper Abuja, 10 March 2014.) The increase was targeted at acquisition of weapons to boost the capacities of the military and other security agencies in order to combat Boko Haram.

## **Negotiation**

President Jonathan also established a committee to negotiate a settlement with the Boko Haram leadership with little success. On 18 March 2014, National Security Advisor Mohammed Sambo Dasuki announced a soft approach to addressing the root causes of terrorism. Earlier In late May 2013, following a sweeping military offensive, ten Boko Haram commanders held a peace meeting with the Dialogue

and Reconciliation Committee in Côte d'Ivoire with Shekau's blessing. It ended with an apparent peace agreement that was to begin with ceasefire. According to a report by the International Crisis Group dated 3 April 2014, Shekau seemed particularly impressed by the treatment accorded his representatives and reportedly asked a lieutenant to go to Abuja to announce the ceasefire to a select group of reporters. However, on 3 June, the U.S. placed a \$7 million reward on Shekau upsetting the prospective deal. The next day the Nigerian government outlawed Boko Haram. The declarations by the two governments foreclosed any room for talks, truce or amnesty. On 13 July, Shekau released a ten minute video in which he ruled out any further dialogue with the government and declared support for the recent attacks on schools.

Boko Haram's difficulties in agreeing and coordinating on positions have also undermined dialogue. It was reported that soon after Sambo Dasuki's June 2012 appointment, the National Security Adviser made phone overtures directly to Shekau. He appeared interested but asked for time to consult his executive. That body could not agree, and Shekau reportedly told Dasuki that he would have to back out of any possible negotiation with the government.

On 2 August 2011, the government set up an eight-member committee led by Usman Galtimari, its former envoy to Chad, to study the Boko Haram security challenge and advise on ending the violence. Its report, submitted on 26 September 2011, recommended talks and amnesty for sect members who renounce violence. It was published in May 2012 according to the International Crisis Group report. On 16 September 2011, former President Olusegun Obasanjo held talks in Maiduguri with Boko Haram members, who laid out conditions for a temporary ceasefire. These were and remain an end to arrests and killings of sect members; compensation for families of members killed by security personnel; and prosecution of police responsible for Yusuf's extrajudicial execution. Mohammed Yusuf's brother-in-law who was at the meeting with Obasanjo was shot dead

outside his Maiduguri home on 18 September 2012, apparently by a member of a Boko Haram faction opposed to dialogue.

On 17 April 2013 and under mounting pressure from northern elites, including the Sultan of Sokoto, Muhammad Sa'ad Abubakar, Jonathan set up a 26-member amnesty committee headed by Special Duties Minister Kabiru Tanimu Turaki. It was given a three-month mandate (later extended) to engage in dialogue and convince Boko Haram to lay down arms. The report of the committee, renamed the Dialogue and Reconciliation Committee, submitted to the president on 5 November, said many insurgents —positively responded to contacts and have accepted the dialogue options [as being] capable of full resolution of the conflict; but Boko Haram and others dismissed the report as a farce.

#### □ **Strengthening anti-terrorism legislation**

President Jonathan signed the Terrorism (Prevention) Act in 2011. It was amended in 2012 to designate the Office of the National Security Adviser (NSA) to coordinate anti-terrorism activities in order to stem the in-fighting among security agencies. It stipulates that the NSA coordinating body for counter-terrorism measures in the country; to ensure timely and well-coordinated response by all law enforcement and security agencies which are to continue to perform their statutory roles with respect to counter-terrorism and other violent acts in the country. (See —Anti-terrorism bill: Nigeria's Senate endorses life sentence for terrorists, Information Nigeria, 18 October 2012).

In addition, on 4 June 2013, the government proscribed Boko Haram describing its activities as terrorism, and warned that any persons associated with the group was liable to prosecution. Mohammed Bello Adoke, the Attorney-General and Minister of Justice, announced eleven convictions of Boko Haram members in 2013. On 4 December 2013, Defence HQ recommended the immediate trial of over 500

suspects arrested in the north-eastern states of Yobe, Borno and Adamawa.(See Defence HQ approved trial of 500 Boko Haram suspects, The Guardian, 5 December 2013). Among those recommended for trial were paramilitary personnel and a medical doctor who allegedly offered the militants direct logistical support; others who trained them in weapons handling; and those who confessed that they were trained in Mali and other countries.

#### □ **Military operations and civilian vigilantes**

Starting in early 2011, the government deployed some 3,600 personnel to Maiduguri and other major north-east towns as part of the Joint Task Force (JTF), a special formation of military, police and SSS units. They were supplemented by small contingents from Chad and Niger, members of a Joint Multi-National Task Force (JMNTF) initially created to combat smuggling. The troops, however, were stretched too thin to control the large region.

On 11-12 May 2013, the government sent 2,000 additional troops, accompanied by heavy military equipment including fighter jets, to Maiduguri. On 14 May Jonathan declared a state of emergency in the North East (Adamawa, Borno and Yobe). In a national broadcast, he ordered the troops to take all necessary action to end the impunity of insurgents and terrorists. The next day, fighter jets began bombarding Boko Haram camps in northern Borno, and a day later troops sealed parts of the borders with Chad, Niger and Cameroon. Phone networks were taken down on 16-17 May in Yobe and Borno and remain down. On 19 August, a new army division, the 7th, codenamed BOYONA and headed by a major general, took over counterterrorism operations in Borno, Yobe and Adamawa.<sup>205</sup> Since June 2013, operations in Maiduguri have been supported by civilian vigilantes, youths from city neighbourhoods who initially organised themselves into groups to patrol streets in search of Boko Haram. They stormed homes of known, and suspected, members, hacking them to death or manhandling and then handing them over to

the military. Armed with machetes, axes, bows and arrows, clubs, swords and daggers, this Civilian JTF (CJTF) became instrumental in the anti-insurgent campaign. The vigilantes are organised into neighbourhood sectors under the supervision of JTF sector commands.

Even though military measures have diminished Boko Haram's ability to conduct the coordinated campaigns, it has not been defeated, as it continues to carry out daring attacks on civilian and military facilities especially in Northeastern Nigeria.

### **Third party Intervention**

The Nigerian government invited third party intervention in August 2014 in the efforts to rescue the over 200 Chibok school girls who were kidnapped from their school by Boko Haram on April 14, 2014. The USA, the UK and France offered to assist Nigeria in the anti-terrorism battle. France, UK and the US all agreed in Paris to assist Nigeria, Cameroun and Niger to fight terrorism. The US, for example, promised to assist with intelligence.

The Nigerian government has accused the US of insincerity when the US refused to sell military equipment to Nigeria. The US explanation was that Nigeria does not have the capacity to operate the equipment and that the human rights record of the Nigerian military was not impressive. However, the Chadian and Niger military have been very active in the counter insurgency operations.

### **6.3. United States Government Assistance In Countering Boko Haram terrorism.**

In recent years, the United States has been working in partnership with the government of Nigeria to counter Boko Haram. The U.S. government (USG) sees Boko Haram as a threat to U.S. interests in Africa, and potentially to the U.S. homeland. In November 2013, the USG designated Boko Haram a Foreign Terrorist Organization (FTO). ([http://www. aparchive.com.](http://www.aparchive.com)) The USG

regards Nigeria as a key strategic partner as “Africa’s most populous nation, its largest democracy, a significant contributor to peacekeeping efforts across the continent, [and] a crucial partner for economic growth, trade and direct investment with the United States.” As a senior USG official stated, “Peace and security in Nigeria is one of our highest foreign policy priorities in Africa. U.S. assistance to Nigeria increased since May 2014, after Boko Haram kidnapped 270 schoolgirls from the northeastern town of Chibok. In response, President Obama directed the USG to “do everything it can to help the Nigerian government find and free the abducted girls.(  
<http://www.uspolicy.be/headline/white-house-facts-us-aid-nigeria-against-boko-haram>.) Beyond the focus on the Chibok kidnappings, the president stated that the United States would work more broadly to combat Boko Haram “in partnership with Nigeria, its neighbors, and other allies. The president made clear that U.S. support would come in multiple forms but that “the goal is singular: to dismantle this murderous group.(  
<http://www.state.gov/j/226424.htm>.) Over the past decade, the USG has had extensive experience acting in partnership with foreign governments to counter militant extremist organizations across the globe. For example, the United States supported Iraq and Afghanistan in taking on insurgencies that continue to shake the stability of both countries. The United States also continues to support the governments of Yemen, Pakistan, and the Philippines in their efforts to quell the violence and instability caused by terrorist groups in these countries.

**Table 9. U.S. military assistance to Nigeria for countering Boko Haram**

Area of Assistance	Description
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Counterterrorism	<p>The USG has focused on building critical CT capabilities among Nigeria's civilian and law enforcement agencies. The Defense Department has been working to build up the capability of Nigerian security forces through capacity-building programs such as Exercise Flintlock, which falls under the Trans-Sahara Counterterrorism Partnership (TSCTP), a program aimed at defeating terrorist organizations across the Sahel region. AFRICOM also helped Nigeria set up the Nigerian Army Special Operation Command (NASOC) in 2014.</p>
Military Professionalism & Human Rights	<p>Nigerian military officers have regularly participated in the U.S. International Military Education and Training (IMET) programs, which emphasize teaching military professionalism to current and future military leadership in partner nations. The program also incorporates human rights training as part of the broader military professionalism curriculum.</p>



Border Security	<p>The United States has made improving border security a priority in its assistance to the GoN. In September 2014, the USG announced the launching of a major border security program. Nigerian law enforcement agencies also regularly receive training on (among other things) border security from the US Military</p>
Area of Assistance	Description

Training	<p>Since summer 2014, U.S. Special Forces from the California Army National Guard have been in Nigeria, training the Nigerian Army's 650-man 143<sup>rd</sup> Infantry Battalion, a newly formed unit stood up specifically to counter Boko Haram. U.S. troops are teaching "the fundamentals of patrolling, small-unit tactics, movement to contact, night operations and ambush tactics. In addition, the 143<sup>rd</sup> will receive training on "human rights, basic soldiering skills, advanced infantry skills, land navigation, marksmanship and troop-leading procedures. The U.S. government has trained Nigerian soldiers through its African Contingency Operations Training and Equipping (ACOTA) program. Through NASOC, U.S. groups are providing training equipment, assistance, and counter-insurgency lessons for including AFRICOM, the Office of Security Operations from the United States Embassy, and Special Operations Command Africa.</p>
Equipping	<p>USG equipment to the GoN has gone primarily to the Nigerian Navy and the Air Force in recent years, due to human rights concerns within the Nigerian Army; however, the USG has provided some non-lethal equipment to the GoN in its CT effort.</p>
Area of Assistance	Description

Law enforcement	<p>Building the capacity of the law enforcement sector is also a critical component of USG involvement. The State Department's Antiterrorism Assistance (ATA) program "enhances Nigerian law enforcement's capability to prevent, detect, and investigate terrorism threats; secure Nigeria's borders; and manage responses to terrorist incidents in a rule-of-law framework. Since June 2013, the State Department's Rewards for Justice program has advertised a reward offer of up to USD 7 million for information leading to the location of Boko Haram leader Abubakar Shekau. The Federal Bureau of Investigation (FBI) has also been offering direct support "assist[ing] in specific incident investigations. These efforts to build the capacity of the law enforcement sector and anti-terrorism capabilities are essential because, as a recent Congressional Research Service (CRS) report notes, there is a "lack of sufficient training for prosecutors and judges to implement anti-terrorism laws.</p>
Counter-IED	<p>Through the Antiterrorism Assistance (ATA) program, the USG provides assistance to the GoN on "identifying, diffusing, and the safe disposal of improvised explosives devices (IEDs). ATA curriculum has been integrated into NPF [Nigerian Police Force] training curriculum, supporting its ability to respond to IED attacks in Abuja and to deploy to the northeast part of the country where Boko Haram attacks are the most frequent.</p>

Promoting Regional Cooperation	The USG recently announced that under the Global Security Contingency Fund, there will be a \$40 million pilot program for Cameroon, Chad, Niger, and Nigeria to counter Boko Haram. “The program will provide technical expertise, training, and equipment to the four countries to develop institutional and tactical capabilities to enhance their respective efforts to counter Boko Haram, and to lay the groundwork for increased cross-border cooperation to counter Boko Haram.
Area of Assistance	Description
Intelligence and reconnaissance	After Chibok kidnappings, the USG began fixed-wing flights to gather intelligence. Assistance has already been provided to the Nigerians in the form of helping them coordinate their own intelligence information, giving them advice based on U.S.
Strategic Communications	The USG via the Center for Strategic Counterterrorism Communications has worked with the GON to provide assistance on developing a communications strategy for the Boko Haram conflict.

Source; **Rethinking the U.S. Approach to Boko Haram:** The Case for a Regional Strategy  
 Julia McQuaid and Patricio Asfura-Heim(2015).

**Table 10. Factors that obstruct GoN's success countering Boko Haram**

Factor	Details
Army not prepared for counterinsurgency	<p>The Nigerian Army lacks the appropriate equipment and training for the type of urban conflict that characterizes the fight with Boko Haram. Due to inefficiency, lack of trade training, and the theft of spare parts, soldiers often deploy without fundamental equipment, such as weaponry and ammunition. In addition, the bomb detection equipment used by Nigerian security forces is said to be rudimentary.</p> <p>The Nigerian armed forces have had little formal counterinsurgency training, and are slow to adapt to changes in the tactical environment. As a result, the military tends to rely on its size and firepower to provide an advantage in combat. This has been ineffective against an enemy that relies on predominantly asymmetrical tactics such as ambushes, IEDs, kidnappings, and school raids.</p>
Lack of Human Intelligence (HUMINT)	<p>In order to counter Boko Haram, the GoN needs reliable on-the- ground human intelligence. An example of the Nigerian government's intelligence shortfalls can be seen in the botched response to the Chibok kidnapping, when one of the firsthand witnesses— a girl who had managed to escape— was interviewed by civil society activists rather than by members of the security and intelligence services.</p> <p>Nigerian security forces also need information that can be analyzed and acted upon more rapidly, a goal perhaps achievable through the establishment of a satellite counterterrorism intelligence center closer to the northeast,</p>

<p>Lack of airlift capacity</p>	<p>Airlift is particularly important for Nigeria, as it must cover a vast territory in the northeast and to react to information in a timely fashion; however, it has been a problem for the Nigerian military. Nigeria's air force struggles due to inadequate training, funding, and poor technical competence. Much of the air force's inventory is at least 20 years old, and the force suffers from low morale due to the non-operational status of much of its equipment. With fewer than five operational Mi-24 "Hind" attack helicopters, the Air Force is currently unable to provide much close air support in combat.</p>
<p>Low Morale</p>	<p>Among other complaints, Nigerian soldiers say that accommodations are rough, troop rotation is poor, few receive the leave to which they are entitled, and the military has failed to provide the operational-duty allowance they had been promised. In addition, troops live in constant fear of Boko Haram attacks, claiming that the terrorist group is better armed, and citing shortages of communications and night vision equipment. As a result, soldiers are said to be lobbying their senior commanders to be sent to the Niger Delta, and some deployed in the Niger Delta pay bribes to their commanders to avoid being transferred to the north, where there is high risk of death and injury from Boko Haram and no comparable financial incentive.</p>

Human rights abuses	<p>The Nigerian Army has a long history of reported human rights violations. Human rights abuses not only have fed the insurgency, eroded the population's trust and confidence in the GoN, and, as a result, played into the hands of Boko Haram; they also have caused the United States—a potential close partner in the conflict—to limit the amount and type of training and equipment it will provide to the Nigerian forces. Among the practices the United States has pointed to as reasons for its refusal to provide unfettered military support are: extrajudicial executions; instances in which security forces have used firearms against civilians when there is no imminent threat of death or serious injury; harsh tactics that injured civilians and harmed property; and the disproportionate use of force, including dragnet arrests, detention, intimidation, and extortion. The JTF has also been accused of setting up roadblocks, shutting down markets, and flattening towns in which Boko Haram is suspected to be present. In its investigations, the JTF simply cordons off areas to conduct house-to-house searches, arrest young</p>
Mistrust among the population	<p>One of the biggest obstacles for the Nigerian military is the lack of cooperation from the local population; Boko Haram members live among the community but people are either too scared or unwilling to inform on them. Furthermore, harassment from checkpoints has led to the alienation of the population of Maiduguri from the police.</p>

Corruption in procurement of military equipment	Security sector mismanagement and corruption is a major constraint in the ability of Nigerian security forces to counter Boko Haram. The cause of this operational shortfall is believed to emanate from the current opaque method of procurement, which uses middlemen that open the process to corruption, leading to unnecessary delays and the purchase of inappropriate or defective equipment. The president's lack of a military background may explain this. He may be unaware that some of his commanders are involved in corrupt practices during the procurement of military equipment, or he may simply not know enough about the military to detect the indications of security sector mismanagement. An example of how corruption in the procurement process has affected Nigeria's operational capabilities is the fact that the military only just began to deploy Mine Resistant Ambush Protected (MRAP) vehicles in May 2014. Up to that point, they had been using Toyota Hilux pickup trucks that were more vulnerable to ambushes, small arms fire, and IEDs.
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Source; **Rethinking the U.S. Approach to Boko Haram: The Case for a Regional Strategy** Julia McQuaid and Patricio Asfura-Heim(2015).

## 6.4 Government Dilemmas in Combating Terrorism in Nigeria

The problems confronting the government in combating terrorism are enormous and In spite of the actions put in place to suppressing terrorism, the menace seems to be over stressing the government. The fact is that most of the government efforts have been mere peripheral window dressing as they have not actually addressed the issues that brought about terrorism in those areas. For example, while government actions in the Niger Delta were merely settling the militants and their leaders, the general lack of infrastructural development in the Zones has remained unsolved. We will attempt to discuss the following as they hinder effective strategy towards combating terrorism.



## **Lack of Skilled Manpower and Training**

At the peak of the kidnapping crisis in the South-East following the kidnapping of the four journalists at Abia state, it was reported that security experts were imported from Israel to help in tracking the whereabouts of the kidnappers and their hideouts. Similarly, experts were also flown from Britain and America to take samples of the pieces of bomb blasts recovered at the scene of incident of the bomb blast of October 1, 2010 at Abuja. Moreover, the imported cache of guns and ammunition discovered at Apapa Wharf sometime in 2010 was also sent to America to determine where the items were made. All these references were highlighted to bring to fore the fact that Nigerians lack the expertise in terms of manpower skill and training to deal with terrorism.

No wonder (Lee& Perl, 2002) asserted that Nigeria"s security agencies take only the pictures and finger prints of criminals arrested in connection with terrorism or other criminal acts. They lack the skill to carry out forensic or DNA examinations. This is a very derogatory statement of a country that price itself as a „giant of Africa“. We would rather refer to Nigeria as „giant of African leaders of corruption“. It is quite absurd and a great shame that after about eighty two years of the emergence of the Nigeria Police Force (1930-2012), all it could achieve is mere picture taking and finger printing in investigation. It cannot delve into the rigorous aspect of investigation by utilizing competently forensic technology.

A Terrorism Unit has been created in the police and also in the state security services. Government has also inaugurated a Presidential Adviser on terrorism. The National Intelligence Agency (NIA) has units or bodies dealing with related offences. But how much of skills do these units have in handling terrorism? How much of equipment and technological devices do they have in their units to tackle the war against terrorism? The emerging terrorist of the 21st century are operating at the speed of lightening. Any time, their modus operandi or tactics is discovered,

they immediately change their operational methods. Do we have the expertise in terms of skill and training to cope with this dangerous emerging trend?

### **Government Insincerity in Tackling the Root Causes of Terrorism**

Scholars from various disciplines have all identified root causes as key to understanding why most terrorism occurs. For example, Bloom (2007) enumerated the following as root causes of terrorism among others:

- ☐ Lack of rule of law.
- ☐ Failed or weak states that provide havens for terrorists.
- ☐ Corrupt government.
- ☐ Depression
- ☐ Discrimination.
- ☐ Social injustice
- ☐ We may add to the above list among others: unemployment, absolute poverty, underemployment, rise of indigenous neo elites, executive lawlessness, marginalization, relative deprivation, oppression, neoimperialist class, do or die politics and government insincerity and insensitivity. Aside from the huge amount of budget Government appropriates every fiscal year, the country is yet to reap the dividends of democracy. Basic social amenities like water, electricity, education, hospital, roads etc are none existent instead 25% of government budget is allocated to the National Assembly overhead current expenditure. The public is only privileged to know how much budget is approved for each fiscal year, but how much of the budget is implemented to transform the socioeconomic status of the citizenry is another ball game entirely. Government is insincere in fulfilling her election campaign promises to the people instead they flamboyantly with great impetus exhibit executive lawlessness in corruption and abuse of office at the

glaring face of hungry, poverty ridden, unemployed and absolutely deprived Nigerian youths. No wonder Akanji (2007:63) argues that it is “corrupt and ineffectual political leadership that often engenders poverty and, consequently, violent activities”. The implication is that government inactions precipitate violent acts. As long as government continues to distance the masses from their land and appropriate their rights without due process, government cannot be seen to be egalitarian as it does not take into consideration the principles of corporate governance, which involves freedom of choice, rule of law, transparency, justice and accountability. The war against terrorism cannot be fought when the generality of the citizens are living below poverty level. In this era, where there is „free-lance terrorist“ (soldiers of unemployed youths, who do not belong to any fundamentalist or radical group but who are easy tools in the hands of the rich or terrorist organizations) by just a mere financial inducement, they can carry out any terrorist act. These youths are easily available for criminal acts because they have nothing doing and nobody cares about their well being. Government only make political and economic promises in order to secure a win, but after they have won; promises are abandoned only to recycle the promise in the next election because they must win their votes. This is the Nigerian dilemma. This is the critical meeting point that has enhanced the emergence and growth of militancy and terror groups in Nigeria.

### **Lack of data base**

The fight against terrorism and other related emerging trends in the country demands a data base. The data base must be constantly updated in line with operational exigencies that may be required. We may be able to have data base assembled by the United States agencies on terrorism, but data base on domestic terrorism is lacking. It is very important for us to reiterate the fact that while countries like America, Britain etc are battling with combating international terrorism Nigeria is grappling with domestic (right wing) terrorism that comprises

among others hate group, Islamic fundamentalist and militants. Each of these groups mentioned have specific justificatory approaches to their terrorist acts. It is important and of great value if the root causes of Boko Haram outrage are known and their leaders identified, targets identified, groups (micro or macro) identified, modus operandi identified, motives and motivations known, ideologies noted, organizational structures (if any) located and identified, sponsors and beneficiaries (internationally and domestically) identified etc. Armed with these basic tools, policies, strategies, tactics and other related modules can be formulated. You cannot win a war fighting a ghost or an unknown enemy. Boko Haram as at today is unknown at least in our public domain.

### **Proliferation of weapons**

The rate at which arms and ammunition, especially the prohibited ones - weapons of mass destruction (WMD) makes nonsense of the fire arms law in Nigeria would cause one to infer that there exist in the society a state of normlessness. It would be recalled that AK. 47 Rifle was introduced into the Nigeria Police force between 1998 and 2000. At that time, it was the most sophisticated weapon in the hands of the police. It replaced the Mark IV Rifle-“Cock and shoot” because of its automatic and rapid shooting capability, coupled with the capacity and caliber of the ammunition and the magazine. It has the capacity of doing what we call “kill and show” with shooting range above 300 meters. Unfortunately, this particular rifle seems to be the commonest rifle now that can be found in the hands of criminals. The question is- How did these criminals get these rifles? What is happening with our borders – sea port, land port and airport? What is happening to the Custom Operatives, Navy, Police, SSS, Air force and Army? What of those patrolling the sea and border post? What happens to the laws guiding the issue of fire arms? These questions are pertinent, the answer will obviously help in combating terrorism and until then it is a great threat to its fight. The cache of arms and ammunition that was returned then by the militants in the Niger Delta is very

frightening. The Rambo style operations going on in the Northern Zone of Nigeria is equally disturbing. Thus, proliferation of arms and ammunition is a serious dilemma confronting the Nigerian State in their resolve to combating terrorism and other related offences. It is not only our domestic dilemma it is also an international dilemma. The inability of Nigerian government to control the proliferation of arms and ammunition into the country is great danger to her internal security.

### **Enforcement and Implementation of Anti-Terrorism Laws**

Nigeria is one of the first countries in Africa to comply with all established and existing Conventions, Resolutions. Protocols and other laws regarding to the regulation and combating of international terrorism, combating of the financing of terrorism and anti-money laundering (CFT/AMT) and other related criminal acts specified under those laws. Notwithstanding, the measures taken to be a compliant state among the comity of nations, Nigeria lacks the will to enforce and implement the laws so far approved or passed relating to acts of terrorism or financing of terrorism. There have been constant accusations that the federal government is not actually prosecuting members of the Islamic fundamentalist Sect arrested across the country for their ruthless and persistent mayhem they have been inflicting on the nation. This lack of will and show of weakness which government has blatantly demonstrated severally has giving greater impetus to Boko Haram that they ludicrously in a Rambo style inflict grave harm to the people. This was exhibited when they sacked the security agencies attached to Bauchi prisons on September 7th, 2010 and released all the 721 inmates in the process including their own 123 members who had been in detention since July 2009. This flagrant display of having government at their mercy is aptly illustrated by the various conditions which they have been giving to government as conditions for truce in the country.

## **Religion and culture**

Another dilemma confronting the country is the emerging trend towards terrorism that is religiously or ideologically motivated. Radical Islamic fundamentalist groups such as Boko Haram or other groups using religion as a pretext to cause violent acts, pose a great danger to the internal security and peace of the country. The challenge associated with this kind of terrorism is how to condemn and combat such terrorist activity, or extremism and violent ideology of specific radical groups, without appearing to be anti-Islamic or anti-religious in general. In the international level, a desire to punish a state for supporting international terrorism may also conflict with other foreign policy involving the nation. That notwithstanding, government must prioritize its national internal security interest with that of any group and understand that the unity and strength of the state is far greater than the interest of any religion or culture. When the state is guided by this principle, that the whole is greater than any of its component parts, then sentiment will be cast aside for the interest of the whole.

### **6.5 The Joint Strategic Management Approach**

This approach consists of a combination of two models, namely, the Dual Approach model, and the Cooperative Approach Model. The Dual approach model aims at combating the masterminds and perpetrators of situations of insecurity, and concurrently addressing and removing the remote causes or sources of dissatisfaction or discontentment which cause security breaches. The Cooperative Approach Model aims at involving all stakeholders, both in public and private capacity - government, communities, business organizations, civil society, religious groups and individuals – to supply resources, expertise and information that are required to ensure a safe environment.

## **The Dual Approach model**

This model is two part model. One part is to remove the factors which cause people to engage in acts of insecurity, and the other part is to combat the perpetrators of insecurity situation. The first part considers and entrenches all of the solution methods from the various views presented above, under solution to insecurity in Nigeria. The second part is to combat the criminals both with the long arm of the law and the force of arms. This is meant to stop or prevent criminals from creating and perpetuating insecurity. It involves being prepared at all times and being proactive, and pursuing them wherever they are. The objective is to protect innocent citizens from harm. A major strategy in this regard is to identify and map out Hot spots on physical insecurity. This requires vigilance on our environment on the part of security agencies, particularly with terrorist attacks of the Boko Haram. We refer to Hot spots as such locations and areas where the sect can take advantage of political and economic vulnerabilities to safeguard their operations and attract recruits.

They include those areas which are politically volatile, and with a large mass of uneducated and abjectly poor population that can easily be recruited as terrorist operatives; areas in which people have high level of attachment to opinion leaders, and the leaders-followers ties are very strong; towns and states on border lines with other countries, and which have cultural and language links with other societies outside the country, which allow for a network of transnational criminals and terrorists. Such hot spots facilitate smuggling of illicit weapons and personnel through the borders without being detected. hot spots help terrorists and criminals in their insecurity flows, that is, movements of assets, people, services or strategic/sensitive know-how. Security agencies, therefore, should develop and adopt a scientific means to detect, map, and

analyze such hot spots in the country, and firmly understand their modus operandi in exporting insecurity into Nigeria. Being able to scan, pinpoint and monitor hot spots on a continuous basis offers the possibility of tracking the movement of criminals and terrorists, their financial assets and illegal weapons, and their skills and expertise. Such a capability is critical to intelligence gathering and necessary precondition for threat interception and the prevention of the escalation of insecurity.

### **The cooperative model**

This model contrast with the traditional assumption that national security is solely the responsibility of government. While we agree with the view that security of lives and property is a primary responsibility of government we hold the view however, that the insecurity challenge in Nigeria is too enormous to be left for government alone. There is need for other stakeholders to be actively involved in ameliorating insecurity in the country. This is the basis for this model.

The model indicates all the stakeholders needed to fight against insecurity in order to achieve enduring security in the country. When these stakeholders collaborate to tackle the insecurity challenge in Nigeria, the business environment will be safe for business investment and operation. As it is known, factors in the business environment enhance or hinder a firm's ability to operate effectively and efficiently (Dionco-Adetayo and Adetayo, 2003). When the business environment is safe, the businesses will be sustained and sustainable development which is the desire of every nation will be sure. It is important to point out that insecurity is not a problem that is unique to Nigeria. The United States of America, the United Kingdom and many other countries, face the challenges of insecurity within their borders on a daily basis. The difference between them and our country is how they manage the threats, how



knowledgeable and prepared they are, how they deploy resources against the threats, how effective they are, and how patriotic and united the people are against threats of insecurity.

In the United Kingdom, insecurity is managed through a strategy which is organized around four strategic workstreams each comprising a number of key objectives of pursue, prevent, protect and prepare (CONTEST, 2011). The pursue strategy is meant to stop attacks. This means detecting and investigating threats at the earliest possible stage and disrupting crime activity before it is carried out while Prevent strategy focuses on stopping people from becoming criminals or supporting crime. The aim is to strengthen people so that they will not be criminals. Protect strategy is meant to protect people from criminals while the Prepare strategy helps to mitigate the impact of a crime attack and also to be ready to deal with an ongoing crime attack. This includes attempt to bring a criminal attack to an end and to increase resilience to recover from its aftermath as an effective and efficient response will save lives, reduce harm and aid recovery. An analysis of the strategies indicates that the priority of UK is to stop criminal activities. However, when it can not be stopped, prosecution is effectual to people for criminal offences.

For effective implementation of the strategies, measures are put in place to ensure the accountability of the strategies and progress monitoring. The security, intelligence agencies and the police are adequately equipped to disrupt crime related activities. CONTEST (2011) stated that the police, security and intelligence agencies work tirelessly to keep Britain safe. They also recognized that, the growing use of inexpensive but sophisticated communications technology has made the planning of attacks easier and more secure and that it allows for instant communication between geographically disparate groups via email, web fora, social networking sites or by using the internet to make voice calls. Therefore, steps have been taken to keep pace with technological changes

by making the internet a more hostile environment for criminals. They have tried to identify, investigate and disrupt criminal use of the internet; make it more difficult for them to exploit the internet for radicalisation and recruitment as well as counter-terrorist propaganda. They have also put in place enhanced communications and information sharing for criminal attacks. These are organized by coordinators, supported by Prevent Engagement Officers (PEOs) who connect the police, community police and neighbourhood police. They are instrumental in developing community contacts and an understanding of community issues. Their work helps to identify potential threats in the communities and generates prevention projects and information sharing with prevention partners to support strategic objectives. There is the challenge therefore to rethink and improve on the policies and institutional means of dealing with security concerns arising in the country. The roles of the stakeholders in the security management model are discussed below:

### **The Role of the Government**

To overcome insecurity there is need for intelligence gathering and surveillance so that law enforcement agents could be proactive and reasonably predict potential crime with near perfect accuracy rather than being reactive. As noted by Adagba, et al (2012) the menace of insecurity no doubt calls for a new approach that will be founded on credible intelligence gathering”. Government must not only continue to engage the security personnel, it must, more than ever before, recognise the need to devote more attention to security intelligence, capacity building to meet the global best practice standard and acquisition of modern technology. Although, the Nigerian government has resolved to adopt the use of Computer-based Closed Circuit Television cameras in public places especially in Abuja to monitor and record events that take place in a particular location, (Ogunleye, et al, 2011) have argued that for it to be effective, government must ensure that the scheme is well managed, the cameras

should be recording, with good quality images, and any incident caught on camera should be followed up by the police or other appropriate authority. Computer-based Closed Circuit Television cameras are cameras used to monitor and record images of what takes place in specific locations in real time. The images collected are sent to a monitor and recorded on video tape or as digital information. It is a surveillance technique that aims to prevent crime by increasing the perceived risks of potential offenders in engaging in criminal acts. They can be very effective in maintaining security through incident reduction or post-incident analysis, to act as a deterrent or to provide valuable support to security.

There is also the need to modernize the security agencies with training, intelligence sharing, advanced technology, logistics, motivation and change of orientation. This effort will enhance the operational capabilities of the Nigeria security agencies by identifying avenues that would enable them respond appropriately to internal security challenges and other threats. In addition, there should be a complete overhaul of the security institutions in the country to reflect international standards of best practices so as to pre-empt these security breaches. In particular, the failure of the intelligence services to contain the recurring security breaches. The consistent pattern of post damage responses to national security has been attributed to the dearth of pre-emptive intelligence among security personnel. There should be an institutionalized approach rather than the episodic and reactive response adopted by the government at the aftermath of attacks.

In addition, Government at all level should not compromise in enforcing the law. Cases of corruption are not meant to be compromised at all, let alone adjourning them endlessly. The judiciary ought to have, at this stage in our development, evolved time scales for cases. There ought to have been a time to determine a case; time to close that case; and time to deliver judgement and pass sentences. In

Nigeria, cases that bother on corruption and insecurity have most often been compromised thus, the law is no longer acting as a deterrent. Our law enforcement agencies must therefore be incorruptible and fair. To ensure all this, there must be incentives, good conditions of service and social security.

Finally, dealing alone with the issues mentioned above will not appraise the root causes of insecurity. Policies that focus solely on single governmental agencies, such as security agencies or enactment of laws are unlikely to succeed. Instead, a coordinated preventive measure is necessary in addition to military strategies and judicial institutions. Akpobibibo (2003) posited that there is a need to reorder priorities and to seek better understanding of the underlying causes and dynamics of the insecurity in the country with the aim of providing effective conflict prevention and management strategies. The formulation and effective implementation of policies and programmes capable of addressing the root causes of insecurity in Nigeria are crucial, especially with regard to poverty; unemployment, environmental degradation, injustice, corruption, porous borders and small arms proliferation. Therefore, efforts to tackle insecurity can only be effective if there is a robust combination of legislative and judicial interventions with government reforms that address some of the acute human security challenges confronting a vast majority of the population as indicated in the first part of the two-way approach model.

### **The Role of Business Organizations**

To be successful overtime, a business must be in tune with its environment. Environmental changes have significant impact on business operations and sustainability. As a result of the state of insecurity in the country today, we emphasize that apart from the government, businesses also have a role to play. According to Elumelu (2004) business enterprises can contribute towards the enhancement of security and safety in the country through long-term strategy of

creating and providing jobs especially for the unemployed youths and cooperating with regulatory authorities and security agencies in the fight against crime. Apart from that, business organizations must be socially responsible. When a firm is socially responsible and does not exploit the community where it is operating, it may not experience some of the elements in the insecurity environment. The change that the society expects of businesses and what management believes is its role in society must be given priority by management. As such, businesses should not pursue profit only but should also consider social needs. It includes both ethical and discretionary responsibilities (Dionco-Adetayo and Adetayo, 2003). Also, problems of pollution, product safety, job discrimination should be taken seriously.

Multi-national companies and large businesses can also assist the government in sponsoring the provision of traffic lights on major streets in our cities and the electrification of towns and villages especially where they are operating. In addition, business owners, managers and employees should be security conscious and should deliver security through their everyday actions and decisions.

### **The Role of Civil Society**

Civil society is the arena outside of the family, the state, and the market where people associate to advance common interests. It is the aggregate of non-governmental organizations and institutions that manifest interests and will of citizens or individuals and organizations in a society which are independent of the government. As a result of the inability of government to provide adequate security, Ebohon, and Ifeadi, (2012) are of the opinion that Nigeria should move from a state-centric to a human security paradigm, move from an elite centered to a people centered security management approach and involve civil society in the state security project. There is need for civil society to advance the

importance of security in Nigeria. With the active involvement of civil society in security management, we should have less violence, human rights abuses and social injustice. One of the roles of civil society is to convince other stakeholders that action is better than inaction and that insecurity does not have to be accepted as a necessary evil. They have to play the roles of critic, catalyst and advocate of those interests. It is also essential to raise public awareness, to awaken society to the disastrous effects of insecurity and to get across the message that fighting it is possible. In many countries, civil society is the watchdog and the vanguard to warrant that other stakeholders respect their boundaries. They also play a major in the area of raising public awareness as well as in lobbying for concrete change or in helping to initiate and carry out a process of reforming national integrity.

### **The Role of Religious Groups**

The two main religious groups in Nigeria have a major role to play in ensuring security in the country. The teachings of religious groups are one of the bases of value development in the contemporary world. The role of values in human security cannot be over emphasized. It is a known fact that values govern behaviour. Where social values and norms concerning fundamental human right in both public and private places have been distorted and violated, the people and government tend to live in an atmosphere of instability and insecurity (Clifford, 2009). If every religious group can tolerate the other, then religious crisis which has been a problem in this country will be abated. In addition, worship centres should not be used as avenue for instigating members to be violent or to engage in activities that can affect the peace of the country.

### **The Role of Communities**

It is important to note that security management can be significantly aided by the cooperation of local communities. Depending on our perceptions and

sincere feelings as regards our collective responsibilities towards lasting peace in Nigeria, communities should strive to live peacefully with other communities. They should also be vigilant of strangers in their localities to ensure that criminals do not have easy access to their communities. Security should be seen as everybody's business. As individuals we need to cultivate the habit of security consciousness and to report any security situation to the appropriate authority (not only the police) immediately. Every individual must evince a high level of security awareness and alertness. This is because individuals understand their communities better and any report of suspicious behaviour or activity could lead to actionable intelligence leading to disruption of attacks. Through the early detection of impending conflicts and its prevention, it will help to provide a safe and enabling environment for the people to operate in, and for economic development to thrive.

## **CHAPTER SEVEN**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **7.1 SUMMARY**

Terrorism and Decline in Foreign Direct Investment is vast area of lively research. In this study we critically looked at how terrorism as a socio-political crisis aggravates the spate of insecurity in the country which invariably impede the flow of Foreign Direct Investment. With special emphasis on the activities of the Boko Haram terrorist group. To this end we took into cognizance the determinants of FDI and how the consequences of this social crisis affect Foreign Direct Investment. We choose Nigeria, because overtime and even more recently the country has been witnessing series of social disorders which had led to heightened insecurity, threatening the unity of the country and affecting adversely socio-economic activities in different parts of the country. We equally choose 2002 to 2015 as activities of the group started manifesting around that time. The sector of the economy which we investigated is the private sector.

The researcher found out that the nature and character of terrorism in Nigeria was multidimensional. Frequency in percentage result showed methods deployed such as Bombing 36.1%, Armed attacks 20.7%, Assassinations/Murder/Beheading 13.8%, Abduction/Kidnapping 7.5%, Mass Murder/Suicide Raid 11.1% and Jail Breaks 3.7%. The activities of Boko Haram Sect as a terrorist group results showed have contributed significantly to the decline of Foreign Direct Investment in Nigeria. As at 2015, total capital imported into Nigeria stood at \$9.6 billion, the lowest recorded since 2011. It represents a 53% drop from the \$20.7 billion recorded in 2014. The tourism sector which ranked among the first in the country before and generates approximately N80 billion annually has been held stand still. The famous Argungu fishing festival, Yankari Games Reserves, the Mambila



Plateau, the tomb of Uthman Dan-Fodio, all of which attracts tourists from within and outside the country have been paralyzed alongside the various economic activities within value chain (NTDC, 2012).

The infrastructural sub-sector of the northern economy has been devastated because a good number of foreign and local contractors across the various northern states engaged in the construction of roads, bridges, housing estate development, the dams, National Integrated Power projects and rail way track rehabilitation have either abandoned sites or relocated to other neighbouring African countries. This represents real setback to the economy of the region and pushes unemployment higher as thousands of youth who would have been engaged by them now sit idle.

From the study, it was discovered that the Boko Haram insurgency has compounded the developmental challenges of Nigeria through destruction of lives and properties, destruction of schools which have led to the closure of so many schools in the North-east geopolitical zone, disruption of businesses, reduction in government revenue, fear of foreign investors to live and do business in Nigeria, political instability, among others. The study demonstrated that in as much as some scholars argue that Nigeria has been enjoying the flow of foreign direct investment more than any other African country over time. That we have reasonably lost a sizeable chunk of foreign capital which would have been imported/retained within our economy due to insecurity caused by the terrorist activities of the sect. Investments have moved to other West African Countries particularly Ghana whose rank on Global Peace index is 50<sup>th</sup> while Nigeria ranked 146<sup>th</sup>. Finally it was found out that the Government's efforts at curbing the activities of Boko Haram have not yielded significant results due to government's insincerity in tackling the root cause of terrorism.

Consequently, the study recommends that government should intensify its counter terrorism fight against the insurgents, upgrade the equipment of the military and other security agencies to effectively and decisively defeat the insurgency, embark on an aggressive enlightenment and re-orientation campaign to mobilize the citizenry in support of the armed forces campaign against the terrorists, collaborate with the international community in the fight against Boko Haram, pragmatically create new employment opportunities for jobless youths, impose stiffer penalties on terrorists, and concertedly work towards the eradication of poverty and corruption in Nigeria. The present administration should diversify Nigeria's economy away from the oil industry, and look to increase investment in those areas with high levels of unemployment and poverty, including in northern areas. This however yield expected result and will definitely create an atmosphere of relative peace which will propel investors to invest in Nigeria

## **7.2 CONCLUDING REMARKS:**

The return to democratic governance in Nigeria resurrected so many ethnic sentiments and demands ranging from Niger Delta militancy, MOSSOB, OPC, among others. In Jos, Plateau state, it has been constant fighting between farmers and Fulani herdsmen. Within, the North- central geopolitical zone, there has been constant land disputes between various ethnic groups and many other challenges in the form of ethno-religious crises. None of these have been as devastating and destructive as the Boko Haram insurgency. The Boko Haram terrorism is a national and global threat to peace and sustainable development. Since the rise of the sect, Nigeria has not experienced peace especially, in northern Nigeria (North-East). These attacks have destroyed so many lives and properties that can only be compared to the Nigerian civil war. Through constant attacks, there have been military counter attacks and the result is massive destruction of lives and properties creating an atmosphere of insecurity, scaring aware foreign investors while

undermining the development efforts of Nigeria. The Boko Haram insurgency is a major challenge to Nigeria and failure to address it decisively may lead to division of Nigeria and the non-attainment of vision 2020-20 goal.

Terrorism remains one factor that scares investible funds from any economy where it exists, as investors want to be sure of the security of their investments where ever they choose to invest. This is given the fact that terrorism which creates an atmosphere of insecurity is a risk factor which investors all over the globe dread so well. Insecurity is an uncertainty which is not only considered bad for business, but also sends warning signals to will-be investors to take their investible funds to another country with a better records and atmosphere of security (chejina,2011). Terrorism has in recent times constituted a major hurdle to the Nigerian authorities. This in Nigeria ranges from the Niger Delta crises (1990s to 2009) to the most recent and ongoing Boko Haram Islamic sect insurgence. Foreign investors now see Nigeria as a high risk country to invest, and this is taking its toll on businesses and consequently the growth of the Nigerian economy via short and medium term negative impact on the flow of Foreign Direct Investments (FDI). Insecurity and FDI is in theory known to have a significant negative correlation, and the extent to which this effect transmits to the determination of levels of growth of the economy where it exist should be of great importance for policy. According to the United Nations Conference on Trade and Development (UNCTAD), about US\$1.4 trillion investment capital circulates globally. This figure indicates that capital in the global economy is volatile with a lot of indicators considered by investors before they decide to invest in any given economy. Boko Haram Islamic sect whose activities led and still leading to lose of lives through suicide bombings and reckless shootings and destruction of lives and properties, constitute a major insecurity challenge in Nigeria in recent times. This major threat to the security of lives and investment led to huge FDI outflows from Nigeria and hindering of

subsequent inflows: The World Investment Report (WIR) of the United Nations Conference on Trade and Development (UNCTAD) said that the Nigeria's domestic economy lost N1.33 trillion Foreign Direct Investment (FDI) to the Boko Haram crisis. According to the report, FDI flows to Nigeria fell to \$6.1 billion (N933.3 billion) in 2010, a decline of about 29 per cent, from the \$8.65 billion (N1.33 trillion) realised in 2009 fiscal year. Similarly, 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.. These quantum of loses of FDI can easily be measured by the frequency of capital importation and portfolio investment.

### **7.3 RECOMMENDATIONS**

Having examined the Boko Haram terrorist activities in Nigeria and its role in the decline of Foreign Direct Investment of Nigeria, we put forward the following recommendations:

- The Nigerian government should as a matter of urgency declare a full state of emergency in all affected states in the north and declare full scale war against terrorism devoid of political and ethnic sentiments. This will to a large extent reposition the military and free them from political influences by political office holders in the affected areas.
- Sponsors and sources of funding for the Boko Haram insurgency should be traced. The best way to defeat a man in a battle is to cripple his economy. All Boko Haram sponsors and sources of funding should be brought to book and crippled.
- The government should match words with action in dealing with the security challenges in Nigeria. This should include equipping the military, re-organizing the police force, settlement of political, economic and religious disputes without favoritism.

- The government should put machinery in place through a collaborative effort between national and state orientation agencies, local government areas, traditional rulers, youths, women and religious groups in carrying out re-orientation campaign in northern Nigeria. This will help to address the misconceptions about western education, government activities and other issues used by Boko Haram in convincing the youths to support them. Furthermore, it will also help to address the issue of school drop outs so that Boko Haram will not seize the opportunity to recruit them.
- In addition, poverty should be addressed across the country through employment generation by governments at all levels, collaboration between government and the private sector, revamping ailing firms and empowering youths and women through skills acquisition programmes and agricultural practices. These measures cannot be achieved without government addressing the issue of corruption which is the major cause of poverty in Nigeria.
- The present administration should diversify Nigeria's economy away from the oil industry, and look to increase investment in those areas with high levels of unemployment and poverty, including in northern areas
- Finally, the government of Nigeria should partner with the international community in addressing the Boko Haram insurgency. Terrorism is a global phenomenon, therefore, it is advisable that it should also be addressed through global collaboration.

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## APPENDIX A

### Interview Schedule

- What is the nature and character of terrorism in Nigeria?
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- What is the current state of Boko Haram?
  - The extent to which Boko Haram and similar extremist groups can be called “Islamic” has been a major topic of debate, particularly in the West. Has this also been the case in Nigeria and Africa at large?
  - To what extent has terrorism as perpetrated by Boko Haram in Nigeria negatively affected the flow of Foreign Direct Investment?
  - What is the current state of Foreign Direct Investment in Nigeria today?
  - Do you think that there a link between the decline of FDI and the insecurity caused by Boko Haram?
  - Which other African countries are attracting FDI more than Nigeria.
  - How has government responded in curbing the activities of Boko Haram as a terrorist group in Nigeria?
  - Past response to Boko Haram has been largely militarized and has foregone alternatives such as offering amnesty for those prepared to renounce violence. Is that approach likely to intensify under Nigeria’s new president Muhammadu Buhari, an ex-military leader, and if so, what are the likely results?
  - President Buhari has recently announced a partnership with France to target Boko Haram, with a large focus on intelligence gathering. Is this something that Nigeria has lacked in its past fight against Boko Haram?

- The campaign against Boko Haram has also involved Nigeria's neighbors and African Union forces. Have these partnerships worked, and could they also be adapted to tackle the root causes of the insurgency, rather than just the effects?
- What are the possible solutions to the dimension of terrorism in Nigeria vis-à-vis The flow of Foreign Direct Investment?