EFFECT OF COST OF CONFLICT ON NIGERIA'S ECONOMY

2000-2018

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A DISSERTATION SUBMITTED TO THE SCHOOL OF POST GRADUATE STUDIES, NNAMDI AZIKIWE UNIVERSITY, AWKA IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF DOCTOR OF PHILOSOPHY (PhD) IN ACCOUNTANCY.

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DECLARATION

I hereby declare that this dissertation on Effect of Cost of Conflict on Nigeria's Economy (2000-2018) was written by me and it is a report of my research work. To the best of my knowledge, it has not been presented in any previous application for PhD or any other degree. All quotations are indicated and sources of information specifically acknowledged by means of references.

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CERTIFICATION

This dissertation on "Effect of Cost of Conflict on Nigeria's Economy 2000-2018 meets the regulations governing the award of degree of Doctor of Philosophy (PhD) in Accountancy, of the Nnamdi Azikiwe University, Awka for its contribution to knowledge and literary presentation.

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DEDICATION

This research work is dedicated to God Almighty, the giver of wisdom and knowledge in whom I anchored my hope and confidence, the Author and finisher of my faith.

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ABSTRACT

The study ascertained the effect of cost of conflict in Nigeria's economy from 2000 - 2018. The thrust was to examine the effect of Foreign Direct Investment, capital expenditure, Military expenditure, unemployment rate and investment in Human capital on Nigeria's Gross Domestic Product (GDP). Data were collected from the publication of Central Bank of Nigeria (CBN) statistical Bulletin for various years, National Bureau of statistics and World Bank Indicators 2018. Ex-post facto research design was employed. The data collected were subjected to both descriptive and inferential statistics. Finally, Ordinary Least Squares (OLS) regression techniques and chow - test statistical tool with the aid of *SPSS* version 20.0 was employed to test the five Hypotheses in pre and post effect of the cost of conflict. It was discovered that Foreign Direct Investment (FDI), capital expenditure, military expenditure, unemployment rate and investment in human capital had significant effects on Nigeria GDP. Based on these findings, it was recommended among others that Government should address the problem of insecurity in the country squarely in order to encourage more inflow of Foreign Direct Investment (FDI) in Nigeria to boost economic growth

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The perceived growth in Nigeria's economy is believed to have been impaired by various forms of violence and conflicts that have ravaged the growth process of the country. The United States Institute of Peace (2014) in the same frame of thought posited that instances of violence and conflicts which Nigeria has been experiencing are mainly motivated by political, ethnicity and religious driven factors. Before now, Transparency International (2010) has argued that the problem of the share of *National Cake* (oil revenue), which has failed to meet the demands and yearnings of the citizenry, surfaced when Nigeria abandoned other revenue sources in favour of mono-economy with oil as the mainstay of the economy from the 1970s; and according to the report, this has plugged the nation into conflict and violence.

The government turning a deaf ear to the citizenry demand and agitations may be partly responsible for the exacerbated conflicts among various interest groups in the country which has caused much damage to the nation. This view was in line with that expressed by the Technical Committee on the Niger-Delta Affairs (2009), when it observes and averred that the undeveloped state of the nation has caused serious restiveness and agitation by aggrieved parties, especially the Niger-Delta region who felt neglected by the government and the multi-national oil Companies for not giving

them their due compensation for degrading their ecological system and farm lands. It was in view of this assertion that the Human Developing Index (2014) reported that aside increasing poverty, progress towards a number of other Developmental Goals in Nigeria has also been disappointing as Nigeria was ranked 153 out of 186 Countries where unemployment rate has been steadily increasing with younger Nigerians encountering increasing difficulty in finding gainful employment.

Unemployment rate and poverty being experienced by the citizenry could be some of the reasons for the conflicts and insurgences all over the country. In the same vein, the Bureau of Economics and Business Affairs (2015) opines that the incessant poverty, unemployment, hunger and oppression experienced by Nigerians are causing serious restiveness, conflict and violence going on in every nook and cranny of the country, resulting in the Militancy of the Niger-Delta in the south and the activities of the Boko- Haram Insurgencies in the North Eastern part of Nigeria.

Undoubtedly, the various conflicts in Nigeria is partly responsible for the dwindling economic growth resulting in slowing down of Foreign Direct Investment, drop in oil revenue, high cost of security, lack of infrastructure development and other social costs to the nation.[Asuni (2009) Parki (2011) Oriakhi (2012) Achumba (2013) Okoli (2014) Beriwan (2015)].

Conflict manifests differently in various countries. World Bank (2014) opined that conflict manifests in several forms, starting from strikes, demonstrations and riots to guerrilla warfare, terrorism and civil war. It further reported that these forms of conflict have economic, social, psychological and other type of costs in them. Cost of

conflict could be measured directly or indirectly. Similarly, Beriwan (2015) in a study; using accounting method, classified measures of cost of conflict into direct and indirect cost. Direct costs, involve the immediate losses associated with cost of conflict and include damaged goods, the value of lives lost, costs associated with injuries (including lost wages), destroyed structures, damaged properties, military expenditures and reduced short-term commerce. In contrast, indirect cost concern attack-related subsequent losses, such as raised insurance premiums, greater compensation to those at high-risk locations, and costs tied to attack-induced long-run changes in commerce, loss infrastructures development, reduced growth in Gross Domestic Product (GDP), lost Foreign Direct Investment (FDI), changes in inflation, changes in per capital income, changes in output, increased unemployment, emigration and reduced tourism. Along this frame of thought, the Global Peace Index (2014) asserted that Conflict has extremely high cost: Conflict and violence destroys infrastructure, shatters development and scares investors away from potential and existing markets. The report further maintained that it was estimated that the global economy lost $28.2 trillion in direct and potential losses due to violence and conflicts. The Research Institute for Economics and Peace (2015) in the same vein states that a total of at least 100,000 direct human costs and a combined $3 billion were expended in India and Pakistan war. World Bank (2015) reiterated that in Srilanka, the twenty-six years long military conflict cost the country 8,000 military personnel per million populations. Similarly, the Environmental Protection Agency (2006) opined that the war in

Afghanistan and Iraq was estimated to have cost 137,000 civilians who were killed and a total of $185 billion was expended to finance the war.

1.2 Statement of Problem

The Strategic Foresight Group (2011) stated that the cost of Conflict takes into account different costs a conflict generates, which include economic, military, environmental, social and political costs. It puts the costs into two perspectives: The direct costs of conflict, for instance human deaths, destruction of land and physical infrastructure; as well as indirect costs which have been impacted on the society, for instance migration, humiliation, growth of extremism and lack of civil society

Cost of conflict is one factor believed to be responsible for dwindling economic growth in Nigeria. Research Institute of Peace (2012) also had a similar view when it posits that cost of conflicts is one of the main reasons many developing countries and regions around the world are currently still unable to develop at the same rate as developed nations and also millions of people are currently experiencing starvation and running away from their homes.

The widespread belief in the academic literature that cost of conflict is bad for business is shared differently. While the “war ruin” school of thought argues that cost of conflict is destructive in nature as it disrupts economic, political and social infrastructure. Shaf (2015) and other academic scholars on the other hand, argues that the destructive nature of cost of conflict can lead to positive economic growth, political and social landscape of a country through the adoption of technological

innovation, development of human capital and policies geared towards efficient economic development and better governance.

Okoloyo (2012) in a study discovered and asserted that the various conflicts Nigeria is experiencing in recent times have no significant effect on the flow of foreign Direct Investment in Nigeria's economy. The Audit Committee on Niger-Delta Affairs (2009) on the contrary lamented that the current state of insecurity poses serious challenges and threat to the stability of Nigeria's macroeconomic environment in that the country had suffered colossal losses in terms of infrastructures, properties, Foreign Direct Investment, investment on Human capital, increase in unemployment and loss of valuable human lives especially in the North Eastern part of Nigeria.

Beriwan (2015) averred that cost of conflict lead to a great reduction in macroeconomic factors such as output, GDP per capita, as well as an increase in inflation, military expenditure, unemployment rate and weakens financial system drastically at the same time as the country struggles with emigration, population loss, and other indirect costs. On the other hand, Iheanacho (2016) contended that capital expenditure exerts negative impact on growth due to increasing government expenditure on the sector. However, with government expenditure on areas such as military rather than on economic, activities will impact negatively on the economic growth and increase unemployment rate. The Economic Intelligent Unit (2015) on the other hand, asserted that the threat of war or the demands of war can lead to taking better economic decision; which may translate to getting some basic decisions right and which may mean investing in science or infrastructure. Dunne (2012) in the same

vein opined that many modern states owe their forms to some conflict or others. Conflict and war according to him, can have positive economic effects in removing bad leaders or leading to the introduction of structures and governance needed for modernization. Stergios, Redrigo and Miller (2015) on the other hand, discovered that cost of conflict has significant and negative effects both in the short and long run on economic growth

However, some scholarly works reviewed produced some insightful revelations also. Aziz and Asadullah (2013) in a study, using cross=sectional and panel data statistics, tested the impact of military expenditure on economic growth of developing countries in post-war Era 1990-2013. They found that cost of security had negative effect on economic growth in post war era. Similarly, Sefa and Siew (2014) employed the co-relational research design and meta regression analysis to test military expenditure on economic growth of 42 meta countries and discovered that security expenditure affects the developed countries positively but the effects in developing countries are negative. In the same vein, Beriwan (2015) tested the economic cost of conflict and war in Iraq and Kuwait using Narrative base method and OLS regression analysis and found that cost of conflict lower level of GDP and weakened financial system. Ijeoma (2014) used field survey and kruskal-walls test factor analysis and bar-chart to test the effect of cost of conflict in Nigeria's economic development and discovered that cost of conflict had significant impact on economic development in Nigeria. In the same vain, Hotepo, Asokere, Abdul-Azeez and Ajemunigbohun (2010) used t-test statistics to test the effect of cost of conflict on organizational performance

in Nigeria and found that cost of conflicts have both positive and negative effects on organizational performances in Nigeria. Similarly, Abosede (2011) used econometrics analysis to test the effect of cost of conflict in Nigeria's Niger Delta and discovered that the cost of conflict which ranged from loss of lives and properties had negative impact on welfare of the people, reduction of oil production and revenue generation in Nigeria. Arong (2013) likewise ascertained the effect of cost of militancy and unrest on the productivity of private organizations in Nigeria using longitudinal survey and ANOVA. He found a significant negative effect of cost of conflict on organizational performance.

This study therefore, was poised to apply other statistical tools - Ordinary Least Squares (0LS) and chow - test techniques to ascertained the pre and post effect of cost of conflict on Nigeria's economy 2000-2018

The crises situation in Nigeria undoubtedly, have created unfavourable environment for economic activities to thrive and which in turn stifles economic growth and development. The Economic Intelligent Unit (2015) averred that Nigeria obviously has spent huge resources in combating the prevalence of conflict and insecurity challenges in the country; which otherwise would have been utilized in the development of infrastructure, creating jobs and reducing poverty which in turn, could have acted as catalyst for economic growth and development.

It is against this backdrop that this research work sought to ascertain the pre and post effect of cost of conflict on Nigeria's economy from 2000-2018.

1.3 Objectives of the Study

The main objective of this study is to ascertain the effect of cost of conflict on Nigeria's economy. The specific objectives are to:

1. evaluate the effect of cost of conflict; proxy to (foreign direct investment) on Nigerian Gross Domestic Product (GDP).
2. ascertain the effect of cost of conflict; proxy to (capital expenditure) on Nigerian Gross Domestic Product (GDP).
3. determine the effect of cost of conflict; proxy to (military expenditure) on Nigerian Gross Domestic Product (GDP)
4. ascertain the effect of cost of conflict; proxy to (unemployment rate) on Nigerian Gross Domestic Product (GDP).
5. examine the effect of cost of conflict; proxy to (investment on human capital) on Nigerian Gross Domestic Product (GDP).

1.4 Research Questions

To achieve the objectives of this research work, the following research questions were raised:

1. What effect will foreign direct investment have on Nigeria's Gross Domestic Product (GDP)?
2. To what extent will capital expenditure affect Nigerian Gross Domestic Product (GDP)?
3. To what extent does military expenditure affect Nigerian Gross Domestic Product (GDP)?

4. How significant will the effect of unemployment rate be on Nigerian Gross Domestic Product (GDP)?
5. How does investment on human capital affect Nigerian Gross Domestic Product (GDP)?

1.5 Hypotheses of the Study

In light of the research specific objectives and the research questions raised above, the following null hypotheses were formulated and tested:

1. Loss of foreign direct investment has no significant effect on Nigeria's Gross Domestic Product (GDP).
2. Loss of capital expenditure has no significant effect on Nigerian Gross Domestic Product (GDP).
3. Military expenditure has no significant effect on Nigerian Gross Domestic Product (GDP)
4. Unemployment rate has no significant effect on Nigerian Gross Domestic Product (GDP).
5. Investment on human capital has no significant effect on Nigerian Gross Domestic Product (GDP).

1.6 Significance of the Study

The outcome of this research work will be beneficial to investors, management of organizations, regulatory agencies, the government of Nigeria and future researchers.

Investors: The outcome of this study will enable institutional and retail investors to identify and harness investment opportunities in Nigeria. It will spur investors' confidence thereby opening doors for Foreign Direct Investment in Nigeria.

Management: This study will also be of high relevant to management of firms and policy makers to strategize on how to mobilize their resources to improve and utilize the abundant human and material resources in Nigeria to productive uses.

Regulatory Agencies: The Federal Inland Revenue Service (FIRS), State Board of Internal Revenue, Joint Tax Board and other regulatory agencies will find the outcome of this study beneficial in their Tax reform policies. Also agencies like Economic and Financial Crime Commission (EFCC), Independent Corrupt Practices and other Related Offences Commission (ICPC) will utilize the outcome of the study in their fight against corruption in Nigeria.

Government: The government will also find this study relevant, as it would direct her on how to channel her resources to improve the welfare of the citizenry and to formulate policies especially as it relates to Oil sector for enhancing revenue generation in the country. It will also spur the government to create an enabling environment for business activities to thrive in Nigeria thereby creating wealth and employment for the citizenry which in turn will wipe out poverty in the country.

Other Researchers: This study will also be relevant to researchers in economics; statistics, accounting and other management related discipline as it provides information and empirical evidence for further research in these areas.

1.7 Scope of the Study

This study ascertained the effect of cost of conflict on Nigeria's economic well beings in terms of Gross Domestic Product which was the dependent variable and cost of conflict proxy to (Foreign direct investment, capital expenditure, Military expenditure, unemployment rate and investment in human capital). The study covered 2000-2018. A total of 19 years. The choice of these periods was to ascertain the pre and post effect of the terrorist attack popularly known as Boko-Haran which commenced 2009 as the period of the structural break.

1.8 Limitations of the Study

The limitation of this study relates to availability of data which is common to most developing economies and few empirical studies on cost of conflict; especially studies within Nigeria. However, efforts were made to gather the relevant data for all the variables throughout the study period. It should be noted that this study should have been extended to other sub-Sahara African countries if the data were available. The researcher had to rely on pooled time series data in Nigeria statistical Bulletin, National Bureau of statistics and World Bank indicators to address some of these problems. Also, data for 2019 fiscal year was not available at the time of this research which made the study not to have extended beyond 2018 fiscal year.

1.9 Operational Definition of Terms

(i) **Renter states**: This explains the condition in a country where government receives on a regular basis substantial amount of external economic rents like oil rent in the case of Nigeria and not tax revenue that the government is accountable to the

taxpayers that tend to promote and sustain authoritarian regime.

(ii) **Dutch-disease**: It is the impediment of oil revenue to economic growth resource and development of oil dependent countries.

(iii) **Resource curse**: This refers to a situation where the abundant natural resources provided by God to bless a country turned out to be a source of sorrow and war among the people.

(iv) **Environmental full-cost Accounting:** This is defined as a method of cost accounting that traces direct cost and allocates indirect cost by collecting and presenting information on environmental, social and economic cost on a country's National income.

CHAPTER TWO

REWIEW OF RELATED LITERATURE

2.1 Conceptual Review

2.1.1 Definition of Conflict

Conflict has been viewed and defined differently by various authors and scholars alike. Afzalur (2010) defined conflict as an activity which takes place when conscious beings (individuals or groups) wish to carry out mutually inconsistent acts concerning their wants, needs or obligations. Furthermore, it states that conflict is an escalation of disagreement, which is its common prerequisite, and is characterized by the existence of conflict behaviour, in which the beings are actively trying to damage one another. Arong (2013) on the other hand, noted that there are lists of manifestations of conflict behaviour, starting with disagreement, and followed by verbal abuse and interference. Similarly, Hodo (2013) observed that conflicts can occur between individuals, groups and organizations. It refers it to some form of friction, disagreement, or discord arising within a group when the beliefs or actions of one or more members of the group are either resisted by or unacceptable to one or more members of another group. Stergios (2009) on the other hand, opined that conflict can arise between members of the same group, known as intra group conflict, or it can occur between members of two or more groups, and involve violence, interpersonal discord, and psychological tension, known as inter group conflict.

2.1.2 Definition and Cost of Conflict

Strategic Foresight Group (2011) defined cost of Conflict as a method which attempts to calculate the price of conflict to the human race. The idea is to examine this cost, not only in terms of the deaths and casualties and the economic costs borne by the people involved, but also the social, developmental, environmental and strategic costs of the conflict. Ibeh (2014) opined that cost of conflict methodological concept takes into account different costs a conflict generates, including economic, military, environmental, social and political costs. The approach considers direct costs of conflict, for instance human deaths, destruction of land and physical infrastructure; as well as indirect costs which have been impacted on the society, for instance emigration, humiliation, growth of extremism and lack of civil society. It also examines the neighboring countries involved and assesses the impact on them as well as on the international community.

2.1.3 Classification of Cost of Conflict

In an attempt to place the cost of conflict in perspective, Beriwan (2015) in a study using accounting method classified cost of conflict into direct and indirect cost. Direct costs, involve the immediate losses associated with cost of conflict and include damaged goods, the value of lives lost, the costs associated with injuries (including lost wages), destroyed structures, damaged properties, military expenditure and reduced short-term commerce. In contrast, indirect cost concern attack-related subsequent losses, such as raised insurance premiums, greater compensation to those

at high-risk locations, and costs tied to attack-induced long-run changes in commerce, loss infrastructures development, reduced growth in gross domestic product (GDP), lost FDI, revenue loss, changes in inflation, changes in output, increased unemployment, emigration and reduced tourism.

Schaltegger and Burritt (2000*)* defined environmental full-cost accounting as a method of cost accounting that traces direct cost and allocates indirect cost by collecting and presenting information on the possible environmental, social and economic cost.

2.1.4 Economic Growth

Oriakhi and Osemwengie (2012) stated that a country's general economic health can be measured by looking at that country's economic growth and a country's economic growth is usually indicated by an increase in that country's Gross Domestic Product (GDP). Generally speaking, Gross Domestic Product is an economic model that reflects the value of a country's output. In other words, Calderon and Serven (2010) opined that a country's GDP is the total monetary value of the goods and services produced by that country over a specific period of time. It is an increase in the capacity of an economy to produce goods and services, compared from one period of time to another. William and Samwick (2007) on the other hand, posited that economic growth means expansion of the supply side of the economy and of potential Gross Domestic Product (GDP). This means that expansion could be an increase in the annual growth rate, which can be an increase in the size of the economy that does not affect the future growth rate but rather puts the economy on a higher growth path, or both. It implies that a focuses on the supply side of the economy in the long run, is in

contrast to the short-run phenomenon, which also could be referred to as economic growth because in a slack economy, a boost in aggregate demand can raise GDP and help align actual GDP with potential GDP. In line with this frame of thought, Justino (2010) asserted that the distribution of after-tax income has effects on a wide variety of economic activities. Tax policy can influence economic choices, and it is by no means obvious, that on actual basis, tax rate cuts will ultimately lead to a larger economy in the long run. Tax rate cuts would eventually raise the after-tax return to working, saving and investing, that would also raise the after-tax income in which people receive from their current level of activities, and eventually, lessens their need to work, save, and invest. The first effect normally raises economic activity through substitution effects while the second effect normally reduces it through income effects. Tax cuts which are financed by immediate cuts in unproductive government spending could raise output, but tax cuts financed by reductions in government investment could reduce output. If they are not financed by spending cuts, tax cuts will lead to an increase in federal borrowing, which in turn, will reduce growth in the long-run. The historical evidence and simulation analyses suggest that tax cuts that are financed by debt for an extended period of time will have little positive impact on long-term growth and could reduce growth. Bhartis (2009) on the other hand, stated that there is a theoretical presumption that such change should raise the overall size of the economy in the long-term, though the effect and magnitude of the impact are subject to considerable uncertainty. Similarly, Irfunullah (2015) opined that the determinants of economic growth are inter-related factors that directly influence the rate of

economic growth. According to him, there are six major determinants of growth; four of these are typically grouped under supply factors which include natural resources, human resources, capital goods and technology. The other two are demand and efficiency factors.

2.1.5 Gross Domestic Product (GDP)

Gross Domestic Product (GDP) is one of the international standard indices of measuring economic growth of any country. The Human Development Index (2013), in like manner, stated that Gross Domestic Product (GDP) is the total value of output of goods and services produced within an economy in a given period of time; while economic growth is the increase in value of the goods and services produced by an economy over a period of time. It is conventionally measured as the percentage increase in real GDP. In the same vein, Collier (2006) posited that growth is usually calculated in real terms, that is, inflation-adjusted terms, in order to net out the effect of inflation on the price of goods and services produced. Economic growth typically refers to growth of potential output which is production at full employment that is caused by growth in aggregate demand or observed output. Gross Domestic Product (GDP) as a measure of living standards tends to increase when per capita income increases. This makes GDP a proxy (equivalent) for standard of living, rather than a direct measure and has the key attraction of internationally agreed standards for calculation. This study therefore attempts to measure economic growth with Gross Domestic Product (GDP)

2.1.6 Effect of loss Foreign Direct Investment on Gross Domestic Product (GDP)

Tamilselvan and Manikandan (2015) asserted that loss foreign direct investment (FDI) significantly can cause rapid fall in the GDP growth of a nation and decrease in economic growth and development. The incremental growth of FDI is the good sign of economic growth as it facilitates faster economic growth through pooling fund, encouraging and mobilizing overseas investments, risk diversification and liquidity management. Similarly, Adigwe, Ezeagba and Udeh (2015) stated that the rapid growth of interest in foreign direct investment (FDI), stand from the perceived opportunities derivable from utilizing this form of foreign capital injection into the economy, to augment domestic savings and further promote economic development in most developing economies. FDI in their opinions is expected to contribute to economic growth including the provision of foreign capital as well as crowding in additional domestic investment by way of promoting both forward and backward linkages with the domestic economy and in addition, employment is indirectly created and economic activity stimulated at the same time. In another development, FDI helps fill the domestic revenue-generation gap in a developing economy, given that most developing countries' governments do not seem to be able to generate sufficient revenue to meet their expenditure needs. Other benefits are in the form of externalities and the adoption of foreign technology. Foreign direct investment includes; external resources, technology, managerial and marketing expertise as well as capital accumulation. All these generate a considerable impact on host nation's productive

capabilities and the success of government policies of stimulating the productive base of the economy which depend largely on her ability to control adequate amount of FDI comprising of managerial, capital and technological resources to boast the existing production. Asiedu (2002) in the same vein opined that macroeconomic instability, investment restrictions, corruption and political instability have a negative impact on foreign direct investment (FDI) in Africa. FDI is a major component of capital flow for developing countries and its contribution towards economic growth is widely argued, but most researchers concur that the benefits outweigh costs on the economy .Onakoya (2012) reiterating, said that the role of FDI in the developing countries economy is numerous as it help to alleviate economic growth in the developing countries. Firstly, FDI provides an ease to developing countries to access and learn new technology, improve management and makes labour skilled more effective. Secondly, through FDI, host countries increase the surplus of capital account and help to improve or rectify the trade balances. Thirdly, as developing host countries have lower rates of capital accumulation, thus FDI provides an opportunity to support domestic investment to increase economic growth. Similarly, Emmanuel (2016) posited that as foreign direct investment flow increases in an economy, export volume of that economy increases and for a developing country like Nigeria, foreign direct investment is considered as a way of transferring technology and capital from other developed and even developing countries to the domestic economy on the believe that when foreign direct investment comes to a domestic country, that firm receives a competitive advantage due to the usage of new knowledge, experience new ways of

production and management. The current success in economic growth of developing countries is explained by catch up effect in technological development with developed countries. Equally, the higher efficiency of foreign firms may help lower prices and hence increase consumers' surplus. Furthermore, FDI raises employment by either creating new jobs directly or using local inputs, thus, creating more jobs indirectly and that makes FDI an important factor which contributes to economic growth through technology transfer, capital accumulation and augmentation of human capital through education, trainings, and new managements. Ugwuegbe, Okore and Onoh (2013) in the same frame of thought, asserted that Foreign Direct Investment (FDI) is often seen as an important catalyst for economic growth in the developing countries because it affects the economic growth by stimulating domestic investment, increase in capital formation and also, facilitating the technology transfer in the host countries and Foreign Direct Investment (FDI) has emerged as the most important source of external resource flows to developing countries over the years and also has become a significant part of capital formation in these countries. Adeolu. (2007) reiterating and speaking on the effects and advantages of FDI to the host economy, noted that the effects of FDI on the host economy are normally believed to be: increase in employment, augmenting the productivity, boost in exports and amplified pace of transfer of technology and the potential advantages of the FDI to the host economy are seen in its facilitation, utilization and exploitation of local raw materials, introduces modern techniques of management and marketing, eases the access to new technologies and can be used for financing current account deficits.. The realization of

the importance of FDI had informed the radical and pragmatic economic reforms introduced since the mid-1980s by the Nigerian government which is geared towards increasing the attractiveness of Nigeria's investment opportunities and foster the growing confidence in the economy so as to encourage foreign investors to invest in the economy. Similarly, Umah (2007) asserted that the reforms resulted in the adoption of liberal and market-oriented economic policies, the stimulation of increased private sector participation and elimination of bureaucratic obstacles which hinders private sector investments and long-term profitable business operations in Nigeria. Accordingly, it encourages the existence of foreign Multinational and other private investors in some strategic sectors of the Nigeria economy like the oil industry, banking industry, communication industry, and others. Reacting to this same issue, Shiro (2009) noted that since the enthronement of democracy in 1999, the government of Nigeria has taken a number of measures necessary to woo foreign investors into Nigeria. These measures, he noted, include the repeal of laws that are inimical to foreign investment growth, promulgation of investment laws among others to promote foreign capital flow into the economy in other to boost the economic growth.

2.1.7 Effect of loss Capital Expenditure on Gross Domestic Product (GDP)

Twumasi (2012) asserted that long run government investments and government transfer payments affect economic growth positively whereas those of taxes and government consumption spending were shown to be negative. Similar to that of the long run, government investments and transfer payments have positive effects on economic growth in the short run which suggests that the effects of taxes and

government consumption expenditures on short-run economic growth are both insignificant. In the same vein, Teymour, Behnaz and Hadi ((2012) observed that the effect of governmental expenditure composition on the development of economic cooperation of organization countries (ECO) showed that the health expenditure by government has Significant and negative effect on growth but educational expenditure by government has Significant and positive effect. Musiba (2013) on the other hand, posited that Tanzania has been characterized by increased public expenditure on pro poor sectors and yet it is experiencing positive economic activity, showing that pro poor growth has been shrinking. In Kibaha district for instance, it was observed that government expenditure on education has a positive significant effect on per capita income as well as agriculture and roads. But on the contrary, health expenditure has negative insignificant relationship with per capita income. In the same vein, Maingi (2010) asserted that government expenditure on investment, physical infrastructure, education; health care, public debt servicing, economic affairs, general administration, defense, public order and national security as well as government consumption had effect on economic growth of a country. On the other hand, Olu and Dupe (2008) observed that conflict management has significant effect on employees' performance in a public sector organization. They stressed that effective conflict management enhance employee's performance in an organization and that organization's conflict management system influences employee performance. Similarly, Hotepo, Asokere, Abdul-Azeez and Ajemunigbohun (2010) asserted that limited resources is the major cause of conflict and that conflicts have both negative and positive effects on

organization, but when managed properly, the positive effects can be used to encourage organizational innovativeness and build cooperation among the employees. Agwu (2013) posited that significant relationship exists between conflict management strategies and employees' performance and there is no differences existing between managerial and non-managerial employee's perception of the effectiveness of conflict management strategies. On the other hand, Donkor,Afriyie, Adjeidanquah and Kwakunimsah (2015) noted that conflict has a significant effect on the performance of employees and the relationship confirmed the existing body of literature that relationship exist between conflict and growth which has a negative effect on output of workers. On the other hand, Musiba (2013) noted that government expenditure on agriculture and roads in Uganda have positive relationship on per capita income while health expenditure has negative insignificant relationship on per capita income. In further development, Olanipekun and Ofeolu (2015) posited that there are several ways through which public expenditure contribute to the achievement of macroeconomic objectives, especially the manufacturing sector's impacts positively both direct and indirect to the real Gross Domestic Product (GDP). The direct impacts include the establishment of state-owned financial and banking institutions to provide cheap credit such as the Nigerian Industrial Development Bank established in 1964. It can also encourage the performance of the manufacturing sector by means of grants and subsidies to the sector. The indirect impact come through the provision of infrastructural facilities like construction of roads, rail way, power projects and so on. And such projects create enabling environment for operators in the manufacturing

sector thereby enhancing their productivity. In which case, it could be seen from the past budgets of the Nigeria's government that significant increase in the expenditure of government has led to a surplus or equilibrium on the records of balance of payment through its positive effect on manufacturing productivity. However, despite the increasing public expenditure, it can be observed that the major challenges of the country still remain poor infrastructure, underdeveloped human capital, poor health services and other imbalances in the economy, all of which portend negative implications for economic growth. Similarly, Masoome (2010) contended that increase in government expenditure has great influences on economy in different ways when considered on the types of costs. Increasing the government consumption expenditure causes reduction in production, employment and investment. Government investment expenditure has different effects on economy which depends on their nature and area they are spent. Increasing the government investment expenditure in oil and gas, as well as service sectors, makes an increase in GDP. Whereas, government investment expenditure in other sectors can be counted as private investment complementary and investment incentive .But government investment in agricultural, construction, industry and mining sectors has negative effects on economy. The increase in government investment in these sectors leads to decrease in production and investment. Whereas government investment in all sectors including industry and mining' sector, will increase employment. In the same vein, Driton and Lirin (2017) opined that the connection between public expenditure and economic growth has traditionally had an inverse relationship, since some of the public expenditure does not

have a direct impact on the economic growth of a country, especially in developing countries, where public expenditure is oriented unproductive. The share of the main public expenditure participation in GDP is very small compared to the developed countries; which is an indication that this element has not had direct effects on economic growth. On the whole, public expenditures dealt with in most developing countries do not have significant impact on economic growth.

2.1.8 Effect of Military Expenditures on Gross Domestic Product (GDP)

Loto (2011) opined that the impact of military expenditures on economic growth revealed that increased productive expenditure is associated with lower growth. And this negative relationship suggests the inefficiency in government expenditure, especially government investment spending. and consumption expenditure relates negatively to growth. In the same vein, Masoome (2010) posited that government security expenditure has influence on economy in different ways, depends on types of costs. Putting consumption expenditure and investment expenditure into play, it showed that increasing the government consumption expenditure causes reduction in production, employment and investment while government security expenditure has different effects on economy depending on which area they will be spent. Jayawardena and Dunusinghe (2012) noted that the impact of different types of government spending on overall GDP growth for developing countries showed that in Africa, government spending on agriculture and health were particularly strong in promoting economic growth. Among all types of government expenditures, agriculture, education, and defense contributed positively to economic growth. On the other hand,

Gemmell and Kneller (2001) observed that the impact of economy on fiscal policy on long run growth for economy when examined simultaneously with the indignity of fiscal policy, revealed that some public investment spending impacts positively on growth and consumption and social security spending have zero or negative growth effects. Similarly, Mitchell (2005) notes that the impact of government security spending on economic performance in developed countries significantly reduced government spending as a share of national output and the economic consequences of reform policies affecting developing countries regardless of the methodology or model employed, does not lead to a better economic performance. Naftaly, Symon, Aquilars, Ochieng and Kibet (2014) stated that the effect of government security expenditure on economic growth in East Africa showed that expenditures on health and defense were positive and had significant effect on growth. In contrast, education and agriculture expenditure were insignificant. In the same vein, Anfofum (2011) opined that defense expenditure has the potential of contributing significantly to economic growth and development. However, for defense expenditure to contribute meaningfully to growth and development, it has to be managed prudently. This to him is because Nigeria's experience in public expenditure management has been quite unimpressive. There has been limited transparency and accountability in the case of public resources. Also the share of recurrent expenditure has been consistently high in total expenditure; however, defense expenditure as a share of Gross Domestic Product (GDP) remained low. Similarly, Krishna and Shakya (2008) noted that military sector growth can affect the socio-economic development in an economy at the expense of diminishing returns

to social development sectors. As larger proportions of a country's productive resources are diverted towards funding the military sector growth, its impact in the long run on development expenditure is expected to be negative. As defense spending increases rapidly, the total government expenditure increases at a faster rate. However, this rapid increase in military spending has a cost associated with it. To fund this ever increasing defense spending, the government would be forced to cut its expenditure on other sectors. On this note, Collier (2006) opined that the influences of military expenditure in developing countries are internal rebellion. Where civil wars are ongoing, military expenditure is greatly elevated. Furthermore, there is evidence that governments set their defense expenditure at levels designed to deter such rebellions. The resultant effect is that the incidence of rebellion is so high and which show that the risk of rebellion is strongly linked to economic causes and a lack of development is a major risk factor. Indeed, since poor economic performance is a major risk factor, high military expenditure, by implication contributes to such poor performance, which may inadvertently contribute to the risks which it may be attempting to reduce. On that note, Shah (2013) posited that linking military spending to the GDP is an argument frequently made by supporters of higher military budgets. Comparing military spending to the GDP tells you how large a burden such spending puts on the developed economy. On the other hand, World Development Report (2011), stated and averred that the rising number of internally displaced persons (IDPs) in various countries undermines recovery from violence, interrupts human development, and poses major challenges to meeting the Millennium Development Goals (MDGs).

Similarly, Dunne (2011) opined that military spending is an expenditure by governments that has influence beyond the resources it takes up, especially when it leads to or facilitates conflict and the economic cost of conflicts are bored directly by those affected by the conflict. Sungsup and Bipul (2005) reiterated that economic performance has been affected through different channels. The report further states that more than 12,000 lives have been lost and physical infrastructures worth at least $250 million have been destroyed. Conflict related disruptions, such as strikes, security checks; blockades, shutdowns, and extortion have increased the costs of economic activity and contributed to an economic slowdown. In other words, Marijke (2012) asserted that civil conflict remains important in many developing countries and has become an integral part of the study of economic development and revealed a strong negative association between conflict and economic development. However, while conflict may lead to poor economic performance in developing economy, the reverse relationship is seen in the developed economics. On the other hand, Poachek (2010) stated that estimate indicate that civil war reduces annual growth by .01 to .13 percentage points, and high-intensity interstate conflict reduces annual growth by .18 to 2.77 percentage points. On the other hand, low-intensity conflict slows growth much less than high-intensity conflict, and may slightly leads to increase. In the same vein, Beriwan (2015) noted that the wars of Iraq's invasion of Kuwait 1990-1991 and U.S invasion of Iraq in 2003 shows that these conflicts resulted in weakened financial systems, lower levels of GDP per capita and higher inflation. These conflicts have also had significant consequences in terms of population loss, debilitated education and

great damages to production capacity. Similarly, Eme (2013) opined that Nigeria has joined the league of countries that are known to spend a good chunk of their budgetary allocation on security. As a result of these challenges, Nigerian leaders have decided to tackle them by raising her defense and security votes. Nigeria ranks 57 in the global rating on military expenditure. It occupies the seventh position in African while it is regarded as the largest spender in the West African sub-region. The ranking was based on Nigeria's military expenditure in 2009, which also made her the seventh largest spender on the African continent. In the same vein, Achumba (2013) observed that 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. Oghoghomeh (2012) stated that Nigeria has become very volatile in recent times resulting to insecurity of lives and property. Militancy, kidnapping, killings and other vices has become the order of the day. Multi-National companies are spending so must money hiring security agents to protect their facilities and personnel. The government is equally spending huge amount of money to maintain peace-keeping forces in the region and also to provide compensation to the militants which inadvertently affect the economic growth of the country. Abosede (2011) lamented that the nature and magnitude of the cost of the perennial oil-related conflicts in the Niger Delta ranged from loss of lives and property, negative impact on welfare of the people, reduction in oil production and revenue generation, to a general state of insecurity because conflict management strategies in the Niger Delta have been defective. In the same vein, Ragnhild (2014)

asserted that oil resources significantly increase conflict risk among countries at the lower scale of initial institution. On the other hand, Oghoghomeh, (2012) posited that cost of peace keeping in the Niger-Delta region has a negative significant impact on the economic development of Nigeria. Similarly, Akwara, Akwara, Enuchela, Adekunle and Udaw (2013) asserted that insecurity had significant effect on unemployment, poverty in Nigeria. Similarly, Arong (2013) noted that the effect of cost of militancy and unrest or peace accounting has a negative significant impact on the productivity of private organizations in Nigeria and recommended that government as well as the multi-national Oil companies should pay special attention to the Niger-Delta questions. Anforum (2013) stated that defense outlays have a significant positive impact on economic growth nexus of Nigeria and said there is need for innovations in defense research and development to add to economic growth in Nigeria. In the same vein, Oriavwote and Eshenake (2013) posited that expenditure on defense had a negative impact on the level of economic growth in Nigeria and advised that government should reassess the content of her defense expenditure and make it more transparent and growth oriented.

2.1.9 Effect of unemployment on Gross Domestic Product (GDP)

Onwachukwu (2015) contended that for any country to achieve the macroeconomic goals of development, maintaining price stability, achieving full employment, and attaining the highest level of growth and development are cardinal. The second goal, which is achieving full employment means maintaining a zero unemployment level. This is because full employment is where there is unemployment of any kind. But it is

a clear fact that zero unemployment cannot be achieved by any country, because there is always a level of voluntary unemployment (that is, people who are able to work but decide to be unemployed). Unemployment is an important determinant of the level of growth and development which a country can attain in that a country cannot claim to be developing and yet experience a high level of poverty, unemployment, and inequality. This portrays the role unemployment plays in the process of economic growth. Similarly, Toboho (2013) contended that Unemployment is the macroeconomic problem that affects individuals most differently and severely. The loss of employment means reduced standard of living and psychological stress. Unemployment is associated with social problems such as poverty, crime, violence, a loss of morale and degradation. The significance of employment lies not only in the income earned but also the intangible and invaluable benefits it provides including dignity, accomplishment and freedom. High job opportunities and economic participation would help in reducing poverty and income inequality. A country that wish to get rid of unemployment needs to pursue some policy options that should be implemented to sustain employment such as; training programs that aim to enhance skills and wage subsidies that can increase the efficiency of job search and to attain high growth is associated with a high degree of employment intensity which is a necessary condition for the reduction of poverty. On the other hand, Imoisi, Amba and Okon (2017) established that unemployment, population and labour force have significant impact on Nigeria's economic growth, while minimum wage does not have a significant impact on the country's economic growth. The underlying principle for

such a result is rooted in the Keynesian theory of unemployment which is applicable to the Nigerian economy that is trying to come out from the economic recession and recommended that the government should ensure there is job creation in the economy especially in the real sector and the private sector employers should be given subsidies so as to encourage them to employ more people as well as deregulating the labour market. Similarly, Oluseun (2017) noted that Unemployment exerts downward pressure on corporate borrowing. Therefore, unemployment risk provides a partial explanation for the conservative financial policies of Nigerian quoted firms'; thereby partly accounting for the low leverage puzzle for some firms that gives significant unemployment problem in Nigeria, compounded by weak social safety net for workers and recommends promotion of corporate policies that strengthen conservative debt usage in industries where human capital risk is concentrated. Shaver (2017) on the other hand, contended that loss of employment increases feelings of depression, anxiety and helplessness, with the effects on perceptions of efficacy and the desire for retribution. Nikolaos and Pavlos (2016) posited that slow growth rates involve the risk of rising unemployment and increase in unemployment is typically associated with economic recession. The argument is that if an economy is allowed to grow slowly in order to prevent increased unemployment rates it is still possible that in the long and short-run function of growth, a negative sign of inflation can be observed. When such situation arises, a small and continuous increase in the general price level is necessary in order to achieve sustainable growth rates with high employment levels. However, in an unstable economic environment where the price level is high and uncertain the

government needs to develop proper economic policies to encourage self-employment and entrepreneurship to overcome high unemployment rates and achieve stable growth rates in order to return in a steady and sustainable economic environment. On that notes, Hauwa (2016) asserted that the problem of disguised unemployment is quite acute in Nigeria. This is clearly seen in the official unemployment statistics which sharply differs from the true state of employed. Accordingly, it could be seen that recorded figures of unemployment significantly understates the number of people who are actually willing to work at the existing set of wage rate. Unemployment is a situation of a labour not having enough paid work or not doing work that makes full use of his or her skills and ability.

2.1.10 Effect of Human capital Development on Gross Domestic Product (GDP)

Lucas (2015) stated that education is expected to be the main contributor for increasing human capital which is believed to impose a more efficient production of goods and services, as well as inspire new innovations, and nourishing a more advanced industrial climate. Economists in recent times, also focus on external benefits from education such as lower crime rates, less inequality within populations and better understanding and democratic participation in well-educated regions. These external benefits from education and their effects on industrial productions are believed to lead to increased economic growth. Similarly, Wube (2008) opined that productivity of a country is affected by different factors like capital accumulation, trade, accumulation of human capital, economic policies that stimulates economic growth. Economists relate productivity with investment on research and development

in human capital. Human capital affects productivity through innovation and adapting new technology. Similarly, Maya (2016) stated that Public investment in human capital through educational system plays an ultimate role in boosting economic growth and development. In the same vein, Adenike (2017) contended that education and health services to people are one of the major ways of improving the quality of human resources. It provides an economy with healthy trained human resources required for economic growth and development. And studies has shown that there exist positive and significant relationship between the interactive effects of human capital components and growth which showed that both education and health components of human capital development are crucial to economic growth in Nigeria. On the other hand, Ahmet (2014) found that physical capital investments and education expenditures are more efficient to increase GDP in the developed countries in comparison to the developing countries. On the other hand, life expectancy at birth is detected as more efficient to increase GDP in the developing countries compared to the developed countries. Life expectancy at birth however can be interpreted as becoming more efficient in respect of increasing the GDP in the developing countries as compared with the developed countries. This implies that increase in the life expectancy of these countries causes a positive contribution to the economy due to a longer time employment of the labor force rather than an increase in the financial burden of retirement and health expenditures made for older people, in contrast with the developed countries. This explains that while the increase in the life expectancy of the developed countries leads to a positive contribution to economy, it also restricts the

economic growth owing to it increasing the financial burden of retirement and medical expenses for elderly ones. Similarly, Maitra (2001) found that in the variation of economic growth both the human capital investment and labour-force have significant causal affect. On the other hand, labour-force also promotes economic growth, where the marginal productivity of labour is found to be positive and diminishing. In the same vein, Eme (2013) noted that human capital as a driver of economic growth for developing countries have made considerable progress in closing the gap with developed countries in terms of school attainment, but recent research has stressed the importance of cognitive skills development for sustainable economic growth to be attained.

2.1.11 Brief History of Conflict in Nigeria: Selected Chronology of major Events:

- **16-18th centuries** - Slave trade: Where millions of Nigerians were forcefully sent to the America to do hard labours.
- **1809** - Single Islamic state - Sokoto caliphate - was founded in the northern Nigeria.
- **1830s-1886** - Civil wars plague Yoruba land, in the south.
- **1962-63** - Controversial census fuels regional and ethnic tensions.
- **1966 January** - Balewa killed in coup. Major-General Johnson Aguiyi-Ironsi heads up military administration in Nigeria.
- **1966 July** - Ironsi killed in counter-coup, replaced by Lieutenant-Colonel Yakubu Gowon.

- **1967** - Three eastern states seceded as the Republic of Biafra, sparking bloody civil war.
- **1970** - Biafran leaders surrender, former Biafran regions reintegrated into the country.
- **1983 August, September** - Shagari re-elected amid accusations of irregularities.
- **1983 December** - Major-General Muhammad Buhari seizes power in bloodless coup.
- **1985** - Ibrahim Babangida seizes power in bloodless coup, curtails political activities.
- **1993 June** - Military annuls elections when preliminary results show victory by Chief Moshood Abiola.
- **1995** - Ken Saro-Wiwa, writer and campaigner against oil industry damage to his Ogoni homeland, and is executed following a hasty trial. In protest, European Union imposes sanctions until 1998; Commonwealth suspends Nigeria's membership until 1998.
- **2000** - Adoption of Islamic or Sharia law by several northern states in the face of opposition from Christians. Tension over the issue results in hundreds of deaths in clashes between Christians and Muslims.
- **2001** - Tribal war in Benue state, in eastern-central Nigeria, displaces thousands of people. In October, armed soldiers sent to quench the fighting kill more than

200 unarmed civilians, apparently in retaliation for the abduction and murder of 19 soldiers.

- **2002 February** - Some 100 people are killed in Lagos in clashes between Hausas from Mainly-Islamic north and ethnic Yoruba's from Predominantly-Christian southwest.
- **2003 12th April**- First legislative elections since end of military rule in 1999. Polling marked by delays, allegations of ballot-rigging. President Obasanjo's People's Democratic Party wins' parliamentary majority.

Oil: Nigeria is a Big Oil Exporter, but Violence and Oil Spills Dog the Industry

- **2003 August** - Inter-communal violence in the Niger Delta town of Warri kills about 100 people, injures 1,000.
- **2004 May** - State of emergency was declared in the central Plateau State after more than 200 Muslims were killed in Yelwa in attacks by Christian militia; revenge attacks was launched by Muslim youths in Kano.
- **2004 August-September** - Deadly clashes between gangs in oil city of Port Harcourt prompts strong crackdown by troops. Rights group Amnesty International cites death toll of 500, authorities say about 20 died.
- **2006 February** - More than 100 people were killed when religious violence flares in Muslim towns in the north and in the southern city of Onitsha.

Bakassi Deal

- **2006 August** - Nigeria cedes sovereignty over the disputed Bakassi peninsula to neighbouring Cameroon under the terms of a 2002 International Court of Justice ruling. A special transitional arrangement for the Nigerian civilian administration would be in place for five years.
- **2006 October** - Spiritual leader of Nigeria's Muslims, the Sultan of Sokoto, was killed in a plane crash; the country's third major civilian air disaster in a year.
- **2007 September** - The Rebel Movement for the Emancipation of the Niger Delta (MEND) threatened to end a self-imposed ceasefire and to launch fresh attacks on oil facilities and abductions of foreign workers.
- **2007 November** - Suspected Nigerian militants kill 21 Cameroon soldiers in Bakassi peninsula.
- .**2007 December** - Anti-corruption chief, Nuhu Ribadu was sidelined, but a high-profile graft-related arrest follows soon after. Oil production cut by about half as a result of strike action and attacks on pipelines by militants; problems in Nigeria help keep world oil prices at record highs.
- **2008 August** - Following agreement reached in March, Nigeria finally hands over the Bakassi peninsula to Cameroon, ending a long-standing dispute. Iran agrees to share nuclear technology with Nigeria to help it increase its generation of electricity.
- **2008 September** - Militants in the Niger Delta step up their attacks on oil installations, in response to what they describe as unprovoked attacks by the military on their bases.

- **2008 November** - At least 200 people were killed during clashes between Christians and Muslims in the central Nigeria city of Jos.
- **2009 January** - The main militant group in Niger Delta, MEND, calls off four-month cease-fire after army attacks camp of an allied group.
- **2009 May** - Niger Delta militant group MEND rejects government offer of Amnesty and declared offensive war against Nigerian military.
- **2009 December-** At least 50 people were killed in a violence attack by unidentified gun men in the city of Jos.
- **2010 January** - At least 149 people were killed during two days of violence between Christian and Muslim gangs in the central city of Jos.
- **2010 March** - More than 120 people were killed in clashes between Muslims and Christians in the flashpoint city of Jos.
- **2010 December** - Christmas Eve bomb attacks near central city of Jos killing at least 80 people. Attacks claimed by Islamist sect Boko Haram spark clashes between Christians and Muslims. Some 200 killed in reprisal attacks.
- **2011** August - Suicide bomb attack on UN headquarters in Abuja kills 23 people. Radical Islamist group Boko-Haram claims responsibility.
- **2011** November - At least 63 people were killed in bomb and gun attacks in north-eastern town of Damaturu. And on Christmas Day a bomb blast which killed about 40 people Boko-Haram claimed responsibility of both.

Maiduguri Clashes

- **2012** October – Boko-Haram bomb army bases in Maiduguri. The army said it kills 24 Boko-Haram fighters in subsequent clashes.
- **May 7, 2013** Boko-Haram attacked Bama killing 55 and injuring several others
- **July 6, 2013** Boko -Haram attacked Yobe killing 42 people and injuring several others

Schoolgirls Kidnapped in 2014

- February 12, 2014 Boko-Haram attacked Konduga killing 39 people and injuring several others
- February 16, 2014 Boko-Haram attacked a village in Borno killing 90 and injuring others
- February 19, 2014 Boko-Haram attacked Bama killing 60 people and injuring several others
- February 25, 2014 Boko -Haram attacked Buni Yadi killing 59 people and injuring several others
- March 1, 2014 Boko -Haram attacked Maiduguri killing 51 people and injuring several others
- March 1, 2014 Boko -Haram attacked Mainokri killing 39 people and injuring several others
- April 2014 Boko-Haram kidnaps more than 200 girls from a boarding school. The US and Britain sends planes to help search for them and West African leaders agree to co-operate to fight the Islamists sects.

- April 10, 2014 Boko-Haram attacked Dikwa killing 8 people and injuring several others
- April 14, 2014 Boko-Haram attacked Abuja killing 88 people and injuring several others
- May 1, 2014 Boko-Haram attacked Abuja killing 19 people and injuring several others
- May 5, 2014 Boko-Haram attacked Gamboru Ngala killing several people and injuring several others
- May 18, 2014 Boko-Haram attacked Kano killing 4 people and injuring several others
- May 20, 2014 Gunmen suspected to be Boko-Haram attacked Jos killing 108 and injuring 56
- May 21 2014 Boko-Haram attacked Chikongudo killing 25 people and injuring several others
- May 25, 2014 Boko-Haram attacked Yobe killing 54 people and injuring several others
- May 27, 2014 Boko-Haram attacked Borno killing 48 people and injuring several others
- May 31, 2014 Boko-Haram attacked Kala Balge killing 40 people and injuring several others
- June 1, 2014 Boko-Haram attacked Mudi killing 40 people and injuring several others

- June 23, 2014 Boko-Haram attacked the city Kano killing over 12 people and injuring many others
- July 14, 2014 Boko-Haram insurgents descended on Borno killing over 26 people and injuring many others
- July 23, 2014 Boko-Haram insurgents attacked Kaduna killing about 39 people and injuring many others
- February 2, 2015 Car bomb exploded in Nigeria's Gombe after Jonathan rally
- February 17, 2015 37 killed, 23 injured in Biu multiple explosions
- February 22, 2015 Female suicide bombers kills 8, injures 42
- March 7, 2015 58 killed, 139 injured in Borno multiple blasts
- March 9, 2015 Hundreds found dead as fresh Boko-Haram violence hits Nigeria
- April 2, 2015 Suicide bomber kills 20 in Gombe motor park
- April 5, 2015 Boko-Haram disguised as preachers killed at least 30 in northeast Nigeria
- April 23, 2015 Troops flee as Boko-Haram retakes Borno Town
- May 8, 2015 14 injured in Yobe school suicide bomber attack
- May 13, 2015 Boko-Haram Killed 55 in Borno villages
- May 30, 2015 Suicide bomber killed eight, injures 11 in Nigeria market
- June 3, 2015 Suicide Bombers killed 18 in mechanic workshop
- June 10, 2015 Boko-Haram killed 43 in Borno
- June 16, 2015 Explosives abandoned by Boko-Haram killed 63 in Borno town

- July 17, 2015 50 killed as Boko-Haram bombers attack Damaturu prayer ground
- July 27, 2015 29 killed in fresh Boko-Haram attack on Borno village
- August 18, 2015 160 fleeing Yobe residents drown, killed by Boko-Haram
- August 31, 2015 At least 26 killed, 28 injured as suicide bomber attacks mosque in Maduguri
- September 11, 2015 10 killed in Yola IDB camp bomb blast
- September 20, 2015 117 killed in Maiduguri bombing
- September 27, 2015 Boko-Haram killed 20 in midnight attack
- October 15, 2015 At least 35 dead as Boko-Haram bombs worshippers in Maiduguri mosque
- October 23, 2015 At least 50 dead in Yola Mosque bomb attack
- November 17, 2015 Yola blast killed 34, injured 80 persons
- November 18, 2015 19 killed in Kano twin suicide bomb blast
- December 12, 2015 30 dead in Boko-Haram attack on three Nigeria villages
- December 25, 2015 Boko-Haram killed 14 in Borno on Christmas day
- January 27-28, 2016 weekend rampage with a total death toll of at least 65 people and twice that number injured. Affected areas were various villages in Dalori and outskirts of Maiduguri, the capital of Borno province. Residents say death toll was even higher with as many as 100 dead.
- February 19, 2016 Two suicide kill 24 people and injured 112 others at a market in northern Cameroon.

- March 16, 2016 Three female suicide bombers killed 22 people and injured 18 in Umarari Village, on the outskirt of Maiduguri, Borno State.
- June 4, 2016 At least 32 people were killed and 67 injured after hundreds of members of Boko-Haram attacked the city of Bosso and area in Niger. Many places in the city were torched and shot at. There were also several deaths and injuries of the attacker's side.
- June 15, 2016 At least 4 females were killed and several abducted after many Boko-Haram militants attacked a village. Some sources said the number of those kidnapped were four. Many houses were burned down and many shot dead. Vigilante followed the attackers and rescued one of the kidnapped after gun battle. A vigilante was injured in Kan-Tuva, Nigeria.
- June 26, 2016 The Nigeria army claimed they had rescued 5,000 people, mostly women and children, from four remote villages in north East Borno State (Zangebe, Maiwa, Algaiti and Miinar) and killed six Boko-Haram fighters. A civilian JTF member was also killed. The army also claimed to have killed two more Boko-Haram fighters in operations at 11 other villages.
- July 8, 2016 At least 9 people were killed and dozens injured after a suicide bombing attack on a mosque in Borno. There was also a second suicide bombing at another mosque
- July 9, 2016 Boko-Haram militants raided a town with guns and explosives, killing 7 people and damaging buildings.

- August 1, 2016 Nine Christians villagers were cut down by Muslim terrorists, who also burned three churches.
- August 19, 2016 The Nigerian militants claimed Abubakar Shekau (Leader of Boko haram) was fatally wounded and about 300 militants including the senior Boko-Haram commanders (Abubakar Mubi, Malam Nuhu and Malam Hamman) killed in an air raid on the village of Taye in Borno state
- August 21, 2016: A Boko-Haram attack on a village called Kururvwa (Between Chibok and damboa, Borno State) was reported to have left at least 11 people dead. Women were raped and also at least 3 people killed and another 24 were injured when a suicide bombing attack a market in the city of Mora
- September 14, 2016 At least 30 Boko-Haram militants and 5 Nigeria's armed forces soldiers were killed in clashes near the village of Toumour in Niger's southeast Region
- September 19, 2016 Members of Boko-Harm claimed that they killed 40 Nigerian soldiers battling in Malam Factory
- September 25, 2016 Four soldiers and civilian JTF members died in Borno towns of Miyanti and Dareljamal in Kaduna State after an ambush on the army by the insurgents and also Boko-Haram members attacked a Chad National Army position near the border with Niger. They killed four soldiers and injured six others. Seven terrorist were killed too
- October 24, 2016 2 suicide bombers killed three people e in Cameroon. The first of those actions was carried out by a woman causing wounds to five people

in the far North Region. The other attack was carried out in the northern locality of Waramide and 3 people were killed.

- October 29, 2016 2 suicide bombers killed at least eight people on Saturday in the northeastern Nigerian city of Maiduguri
- November 5, 2016 An Army officer and six soldiers were killed by Boko-Haram militants in a gun-battle in Borno State and Nigeria's soldiers injured and 100 houses were set on fire when Boko-Haram fighters raided a village in far North Region, in Cameroon
- November 16, 2016 One other soldier died and eight others were injured in the Boko-Haram ambush that led to the death of B.U Umar, a Lieutenant colonel
- November 22, 2016 Six soldiers were killed in an attack on a military base, while the surrounding houses were burned. On the other hand, a woman with explosives tried to enter an army post next to the Kolofata camp on Monday, but was shot down.
- December 17, 2016 A member of the civilian Joint Task Force (JTF) was injured during operations in Sambisa Forest against Boko-Haram
- December 23, 2016 President Muhammadu Buhari said that the Nigerian army has driven Boko-Haram militants from the last camp in their Sambisa forest stronghold and that the terrorist is on the run
- December 25, 2016 A suicide bombing attack and left at least 2 people dead and injured 5 others in Mora, Cameroon

Source: Nigeria country profile. Timeline website 13 July, 2017

2.2 Theoretical Framework

2.2.1 Theory of cost

Hall and Hitch propounded the theory of cost in 1939. They use the cost theory to provide a framework for understanding how companies and individuals allocate their resources in order to keep costs low and profits high. Costs are very important in making business decisions. The cost of production provides a floor for the determination of prices. It helps managers make correct decisions, such as what price to quote, whether or not to place a particular order to buy or supplies, whether to withdraw or add a product to the existing product line, and so on.

The tenets of the theory postulates that:

1. People face trade-offs
2. The cost of something is what you give up to get it
3. Rational people think at the margin
4. People respond to incentives
5. Trade can make everyone better off
6. Markets are usually a good way to organize economic activity
7. Governments can sometimes improve market outcomes
8. A country's standard of living depends on its ability to produce goods and services
9. Prices rise when the government prints too much money
10. Society faces a short-run tradeoff between Inflation and unemployment.

Cost theory uses different cost indicators, such as fixed and variable. Fixed costs (FC) do not vary with the quantity of goods produced. An example of a fixed cost would be the rent of a place.

Variable costs (VC) change according to the quantity produced. For example, if to increase production it is necessary to hire additional workers, then the wages of these workers are variable costs.

The sum resulting from fixed costs and variable costs is the total cost (TC) obtained.

TC = FC + V C

Cost theory has other indicators:

Total average cost (TAC)

The total cost divided by the amount of goods produced. TAC = TC / AGP

Marginal cost (MC)

The increase in the total cost resulting from increasing production by one unit. MC = TC + AGP

Under cost theory, as long as marginal revenue exceeds marginal cost, the increase in production will increase profitability.

The theory of costs is applied in a large number of accounting and management decisions in business management:

1. Breakeven analysis: Technique used to evaluate the relationship between costs, sales and operating profitability of a company at various levels of production.

2. Degree of operating leverage: Instrument that assesses the effect of a percentage change in sales or production on profitability in the operation of a company.

3. Business risk analysis: It is the variability or uncertainty inherent in the operating profits of a company.

4. Scope Economies: Economies that exist when the cost of producing two (or more) products by the same company is less than the cost of producing these same products separately by different companies.

Contribution analysis: It is the margin between sales income and variable costs. In other words, it is the profit or loss of a company without taking into account the fixed costs.

5. Engineering cost techniques: Functional evaluation methods that combine the lower costs of labour, equipment and raw materials required to produce different levels of production. Use only industrial engineering information.

6. Operating lever: Determines the use of assets with fixed costs (for example, with depreciation) as an effort to increase profitability.

2.2.2 Social Conflict Theory (SCT)

Marx and Engel (1848) the proponents of this theory; states that it provides theoretical explanation for competition among social classes, state actors and non-state actors in their attempts to protect their selfish interests. This class struggle leads to acquisition of weapons and ammunitions for self-preservation thus leading to social conflicts and threats to national security. According to them, the history of all hitherto existing

society is the history of class struggles. Freemen and slave, patrician and plebeian, lord and serf guild-master and journeyman. In another word, oppressor and the oppressed, which stood in constant opposition to one another and carrying on an uninterrupted open fight; a fight that each time ended, either in a revolutionary reconstitution of society at large, or in the common ruin of the contending classes.

Edobor (2012) posited that the continuous struggle over political authority and economic resources between the rich and the poor, police and armed robbers, ruling party and opposition parties, majority ethnic groups and minority groups justifies the existence of social conflict in Nigeria. The Niger-Delta endemic conflict over resources emerged in the region because of the poverty level in the Niger Delta in spite of their oil keeps growing. On the other hand, Aderoju (2009) opined that the youths are aggrieved and radicalized by the activities of government and Oil firms. No roads, water, light, schools, hospitals. People are tired of talking because nothing is coming out from many years of talking. So, the youths feel the only thing to do now to get the attention of government and Oil firms is to become militant. Another version of the social conflict theory states that social structures (such as political institution, economic organs, legal institutions and traditional authorities et cetera) are created in every society through conflict, between groups with conflicting ideological interests and diverse means of control over state resources, and individual resources. In turn, they are influenced by these structures and by the unequal distribution of power and resources in the society. Both versions of the social conflict theory perceived threat to security as motivated by struggle among rival social classes or groups in their quest for

groups economic interests, relevance and political dominance. In summary, the importance of the two strands of social conflict theory is that in a society where exploitation of one class or group by a dominant class or groups are existing in Nigeria; and in this case we are referring to the Nigeria's federal government and the multi-national Oil companies. On that note, Owolabi (2015) asserted that if the dysfunctional relations are not addressed, it will result to armed struggle, violence and conflicts, increased crime rate, and at last full scale warfare. The cumulative result to the direct and indirect effects (cost of conflict), affecting economic growth in Nigeria.

2.2.3 Ted Robert Gurr Relative Deprivation Theory

Ted Robert Gurr, propounded the theory of relative deprivation theory in 1894.

The tenet of the theory postulates that:

1. Men rebel because instead of an absolute standard of deprivation, a gap exist between expected and achieved welfare which creates collective discontent.

2. That frustration leads men to act aggressively

This theory also applies to individuals who find their own welfare to be inferior to that of others to whom they compare themselves. 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.

Aniekwe (2011) observed that the gap between an individual's expected and achieved welfare results in collective discontent. However, 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.

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. That means a discrepancy in both instances between what people have, both political and economic goods relative to what they think is justly theirs. Similarly, Nwokolo (2012) reiterated that looking at the rate of unemployment and corrupt activities in Nigeria, it can be deduced that the high rate of unemployment in the country is a function of leadership failure and there is significant relationship between unemployment and youth unrest in the country. Consequently, this notion can be link to causes of Niger Delta militancy and the Boko-Haram violence activities in Nigeria. That is Nigerian youth are frustrated due to insincerity of her government and the resultant effect is aggression and wicked act manifested as terrorism exhibited by Islamic Sect, popularly called Boko-Haram in the North and the kidnapping menace in the southern part of Nigeria. The various cost attributable to conflicts are bore by the Nigerians directly and indirectly (cost of conflict); which in turn affect the economic growth of the country

This study therefore, was anchored on the theory of Ted Robert Gurr relative deprivation theory as frustration, unemployment and unfair treatment melted on the citizenry causes them to take to arms, violent, terrorisms, kidnapping and other social criminal vices which is retarding the economic growth and development of the country.

2.3 Empirical Studies

Studies outside Nigeria

In recent years cost of conflict has attracted scholar, internal and received more attention than ever before. But empirical studies on effect of cost of conflict on economy have been rather scanty, especially in the developing countries and Nigeria in particular

Scholars including Dunne (2000) examined the economic effect of military spending in developing countries using survey method and comparative test analysis. The variables tested were military spending and economic growth indices. He found that military expenditure had negative impact on economic growth in developing countries and recommended improvement of security in developing countries.

Maitra (2001) examined the contribution of investment in human capital and employment on economic growth of Singapore over last three decades using Johansen co- integrated test analysis. Variables considered were: human capital investment, employed labour force and GDP. The test result revealed long-run relation among economic growth indices, human capital investment and employed labour force. Further application of econometric techniques showed that both human capital investment and employment contributes to a rise in economic growth in Singapore

Alberto (2002) investigated the economic effects of conflict in the Basque country using descriptive statistics and simple regression method. The variables considered were defense spending and GDP. It was discovered that after the outbreak of conflict in Basque, it led to about 10% per capita income declined on GDP. The recommendation was to incorporate policies that will stamp out conflicts in the country.

Addison, Abdur and Murshed (2002) examined the relationship between conflict and financial development. A sample of 79 countries was used. Cross-sectional research design and OLS regression analysis was employed. The considered variables were conflict on demand for domestic currency and conflict on store of value. They discovered that conflict reduces the demand for domestic currency as a medium of exchange and a store of value and recommended devaluation of currencies.

Aizenman and Glick (2003) studied the long-run impact of military expenditure on economic growth. They used Barro-estimation method and simple regression analysis to account for the impact of military expenditure on growth and the interaction between military expenditure and threats for a cross-section of 90 countries over the period 1989-1999. Military expenditure on GDP and interaction between military expenditure and external threats were the variable used. The result revealed that military expenditure and hostile external threats have adverse impacts on growth, while military expenditure without threats increases economic growth. Peace building was recommended.

Fatmata (2004) examined the effects of conflict in one country, and the economic growth of its neighbours. Internal security expenditures and GDP were the variables considered. Panel data estimation method and simple regression analysis was used to study 72 countries in Armed conflict between 1990- 2000. It was discovered that conflict in one country does not only reduce economic growth of its neighbours but also significantly affects other growth enhancing variables. It was recommended

that the resolution of conflict should take a regional perspective since cost arising from conflict spread over several countries in the neighbourhood.

Chowdhury and Mavrotas (2006) examined the causal relationship between FDI and economic growth. Time-series data covering the period 1969-2000 for Chile, Malaysia and Thailand was employed. The study used the Toda and Yamamoto causality test approach. Their findings revealed that GDP causes FDI in the case of Chile and not vice versa, while for both Malaysia and Thailand, there is strong evidence of a bi-directional causality between the two variables.

Gyimah-Brempong, Paddison and Mitiku (2006) investigated the effect of higher education human capital on economic growth in African countries using panel data over the 1960–2000 periods. A modified neoclassical growth equation and a dynamic panel data model were the statistical tools used. They found that all levels of education including higher education, human capital, have positive and significant effect on the growth rate of per capita income in African countries. They also claimed that the growth elasticity of higher education, human capital is twice as large as the growth impact of physical capital investment. While this is likely to be an overestimate of the growth impact of higher education, it is robust to different specifications and points to the need for African countries to effectively use higher education, human capital in growth policies.

Stergios, Redrigo, Alys and Miller (2006) investigated the economic cost of conflict on military expenditure of selected western countries; using event study approach discovered that conflict open economic growth. Applying neoclassical and

endogenous growth models with Srilankan data discovered that war had significant and negative effects both in the short and long rum (annual average of 9% of GDP) High returns from investment in physical capital did not translate in sizable externalities. The variables tested were cost of conflict on military expenditure, cost of conflict on investment and cost of conflict on GDP.

Nabil, Simon and Yu (2007) examined the dynamic effects of public investment in human capital in the Canadian context of population ageing using a computable overlapping-generations model (OLG). The decisions of time allocation between learning, working and leisure activity are endogenously determined in the model and react differently to tax policy changes. Learning time and public expenditures on education both improve human capital accumulation and effective labour supply. The simulation results indicated that a tax-financed increase in public spending on education have significant crowding-out effects in the short run. In the long run, however, higher education incentives may increase the rate of human capital accumulation which in turn could mitigate the negative effects of population ageing. Furthermore, economic and welfare effects analysis shows that the impact depends on the distortions implied by alternative tax instruments and the productivity of public expenditures on education.

Yakovlev (2007) investigated the growth effects of military expenditure, arms trade and their interaction in Barro growth models for 28 countries during 1965-2000.The statistical tools used were fixed effects, random effects and GMM estimators. Military expenditure on arms trade and military expenditure on GDP were

the variables tested. The panel estimation results indicate that higher military expenditure and net arms exports decrease economic growth. However, when a country is in net arms exporter, higher military expenditure is less damaging to economic growth.

Ertugrul (2008) investigated the relationship between defense expenditure and economic growth for Turkey from 1969-2004 using econometric model. The variables tested were defense expenditure and GDP. The result revealed a negative linkage between military expenditure and economic growth of Turkey.

Krishna and Shakya (2008) examined the effect of militarization on human right performance of six South Asian economies for the period 1980-2006, using regression analysis. The variables considered were military spending and human right violation. They discovered that increase military spending significantly reduces human right.

Khusrav and Todd (2008) examined the impact of cost of conflict on growth in Asia from 1970-2004 using panel estimation techniques. Variables used were GDP per capita growth, government capital expenditure. It was discovered that cost of conflict reduced GDP per capita growth to 1.5% and increased government expenditure.

Rodriguez and Sanchez (2008) examined the effect of exposure to armed conflict on school dropout decision of Colombian children between the ages of 16-17 years, using regression analysis method. The variable tested was cost of conflict on school dropout decision. They found that armed conflict reduces the average years of

schooling to 8.78% for all Colombian children. The recommendation was for government to design special programmes for affected school children.

Selvarathinam (2008) investigated the impact of peace on economic growth in developing countries. Pooled data from developing countries during 2000-2004 periods and ordinary least square econometric techniques were used for the analysis. The impact of peace on GDP was the variable tested. He discovered that peace contributes positively to economic growth. It was recommended that peace as determinant of economic growth should be incorporated in peace theory for enhancing growth.

Wube (2008) investigated the productivity of human capital on GDP of Ethiopia using econometric technique. The variables considered were of human capital and GDP. It was discovered that human capital has significant relationship with Ethiopia GDP.

Benmelechi, Berrebi and Klor (2010) examined the economic costs of harboring suicide terror attacks. Using data covering 2006-2010 and Ordinary Least Square regression analysis. The variables tested were GDP, unemployment and wages. They discovered that terrorist attack causes an increase of 5.7 unemployment and wages of Palestinian labour force.

Mosoome (2010) examined the impact of government expenditure on GDP, employment and private investment of Iran: A CGE Model Approach. The variables considered were GDP, employment and private investment. It was discovered that government expenditure influence the economic growth of Iran depending on the cost.

Namsuk and Conceicao (2010) investigated the impact of conflict on human development from 1960-2006, using time series data and regression method. The variables considered were: GDP and accumulation human capital proxy to Educational enrolment. They discovered that low levels of human development increase the risk of conflict outbreaks and recurrence of conflict in turn destroys the accumulated physical, social and human capital.

Justino (2010) examined the impact of violent conflict on individual educational outcome. Using regression analysis discovered that destruction of infrastructure significantly affects secondary schooling disproportionately and exposure of households to violence result in significant gender differentials in individual educational outcomes.

Baddeley (2011) investigated the impact of conflict on financial infrastructure using panel estimation and two stage probity least squares analysis. The variables tested were conflict on financial instability and infrastructure development. He found out that financial instability increases the chances of conflict and in turn negatively affect infrastructure development.

Dunne (2011) examined the impact of military spending and economic growth for a large group of countries for the period 1988-2006 using panel data estimation model. The variables tested were military spending, GDP and PCI. He found that military spending had significant and damaging effect on poorer countries and low income groups.

Davis and Daniel (2011) investigated the causes and effects of military expenditure on economic growth in Indian using cross-sections and panel data study of 36 developing countries. The effects of military expenditure on GDP were the variables examined. They found a significant and negative effect of defense spending on economic growth. They recommended peace building mechanisms to reduce defense spending.

Miaari and Sauer (2011) investigated the lower bound estimate of the labour market costs of the Israelites Palestinian conflict using regression analysis. Variables used were: Cost of conflict and employment rate. They discovered that there exist significant negative effects of the conflict on Palestinian employment rate in Israel and monthly earning

Akbari, Moayedfar, and Jouzaryan, (2012) investigated the effect of human capital on the economic growth of Iran in the long run and the short run using the auto-regressive distribution lag model .The results showed a positive and significant effect of human capital on the economic growth of Iran

Dunne (2012) examined the effect of military spending on economic development using a large gross country panel data set for 1988-2006. The variables tested military spending, PCI and GDP He discovered that military spending had significant negative effect on short run and insignificant long run effect of military burden on per capital income and GPD.

Sany (2012) Investigated the effect of cost of conflict on education system in Cote d voire from 2000-2004 using time series and Regression analysis and discovered that conflict prevented Educational system in Cote d voire.

Serneels and Marijke (2012) examined the economic consequences of civil war in Rwanda from 1990-2000 using econometric analysis. Cost of conflict and household consumption were the variables examined. They found that household and localities that experienced more intense conflict are lagging behind in terms of consumption six years after the conflict.

Aziz and Asadullah (2013) Re-examined the causal impact of military expenditure on economic growth of developing countries in post-cold war Era from 1990-2013 using cross-sectional and panel data method. They discovered that military expenditure negatively affects economic growth during the post-cold war Era.

Ganegodage and Alicia (2013) investigated the impact of war on economic growth of a developing country and used Srilanka data with an open economy as case study. Neoclassical and endogenous growth model was applied. Cost of conflict, investment and physical capital were the variables considered. The result showed that war had significant and negative effect both in the short and long run (annual average of 9% on GDP). High returns from investment in physical capital did not translate in sizable externalities.

Teboho (2013) examines the effect of unemployment rate on economic growth of South Africa from 1980-2011. Augment Dickey-Fuller test, Johansen co-integration test and Granger Causality test were employed. The result revealed that there is no

causality between unemployment rate and GDP of South Africa. Recommendation was to encourage policies geared toward enhancement of economic growth in the country.

Ahmet (2014) examined the long-term impact of Human Capital Investment on GDP of 13 developed countries and 11 developing countries from 1970-2010. The variables used were Gross Fixed Capital formulation, education expenditure, life expectancy at birth. Statistical tools used were Panel DOL and IMOLS Panel, co-integrated regression Model. He discovered that the impact of physical Capital and education expenditure on GDP is higher in the developed countries. On the other hand, the impact of life expectancy at birth on GDP is higher in the developing countries.

Alshahrani and Alsadia (2014) examined the effect of conflict on Educational expenditure and economic growth rate in Saudi Arabia from 1969-2010 using econometric technique and found that Educational expenditure stimulates economic growth both in the long run and short run economic growth rate in Saudi Arabia.

Kaouadi (2014) investigated the effect of foreign direct investment (FDI) on 76 developing countries using OLS regression analysis and found that foreign direct investment (FDI) has positive impacts on developing countries hosting such investments.

Shiraz khan (2014) investigated the Impact of FDI on GDP, from 1992 to 2010 of 59 countries representing the global economy using OLS estimation techniques. The variables used were FDI, GDP. The result suggested that there is a significant positive

relationship between all the variables of Production Function including Gross Domestic Product and Foreign Direct Investment Inflows.

Anupam (2014) examined the impact of FDI Outflows on GDP of Bricks Countries, for a period of 2005-2013 using panel data estimation method. The result showed that FDI does not show significant impact on GDP

Gui-Dibya (2014) examined the impact of conflict on foreign direct investment (FDI) and economic growth in Africa. He used panel data estimation method for 50 African countries during the period 1980-2009. The variables tested were cost of conflict, foreign direct investment and GDP. It was discovered that conflict significantly slow down on foreign Direct Investment (FDI). Recommendation was to institutionalize peace building intervention mechanisms in Africa.

Hoon (2014) investigated the effect of armed conflict on FDI on selected 50 countries that received FDI in the petroleum sector from 1980-2006; using regression analysis. The result revealed that armed conflict reduced FDI in petroleum sectors.

Ragnhild (2014) examined the petroleum resources and internal armed conflict from 1961-2007 using logistic regression analysis and discovered that oil resources significantly increase conflict risk among countries at the lower scale of initial institution

Santos (2014) investigated the impact of conflict on education enrolment in Timor-Leste country using TLSLS construct techniques. The variables tested were impact of conflict on education enrolment. He found that conflict had detrimental

impact on education enrolment. Recommended was to enthrone a peace building reconstruction intervention.

Sefa and Siew (2014) examined the effect of military expenditure on economic growth using a sample of 243 Meta observations drawn from 42 countries. Meta-regression analysis method was used. The result showed that there exist positive effects of military expenditure on growth for developed countries but a negative effect for the developing countries.

Beriwan (2015) examined the economic cost of conflict and war in the Middle East. A case of Iraq and Kuwait from 1990-2000. The variables considered were: Unemployment rate, Military expenditure, Foreign Direct Investment (FDI) and Gross Domestic Product (GDP) He applied the narrative base method and OLS regression analysis and found that unemployment rate, Military expenditure and FDI had significant effects on GDP. The recommendation was to increase peace building and reconciliation.

Lucas (2015) investigated the relationship between human capita and economic growth in sub-Saharan Africa from 1988-2011 using panel data regression model. He found that Education enrolment does not have significant relationship with GDP of sub-Saharan Africa countries.

Rubaba, Barra, Claudia, Damania, Nash and Russ (2015) examined infrastructure in conflict prone using democratic republic of Congo as case study. The variables considered were cost of conflict on infrastructure and on transport cost. Natural historical path instrument model was used to test for transport cost and it was

discovered that reducing transport cost has the expected beneficial impacts on all the measures of welfare. However, when there is intense conflict, improvement in infrastructure may not have the anticipated benefits.

Shaf (2015) investigated the influence of armed conflict on FDI inflows in Afghanistan and Irag between 2003-2010. He used multi method approach of descriptive statistic and structural focused compares of the armed conflict. The variables tested were armed conflicts and FDI. He discovered that there exists significant positive relationship between armed conflict and foreign direct investment.

Maya (2016) examined the effect of human capital, public debt and long term economic growth of 76 developing countries using panel data and econometric techniques. Variables considered were GDP, public debt to GDP, public Education expenditure to GDP ratio, average school year and inflation rate. He found that a significant relationship existed between Education enrolments and GDP.

Power (2016) examined the effect of conflict, inequality on FDI. A Panel data analysis for 44 years for several specifications of conflict and FDI using fixed effect ordinary least square model. The result showed that conflict significantly and robustly reduced FDI.

Umazhe (2016) examined the effect of unemployment on Economic Growth in Greece from 1995-2015 Using Unit root and Bound Test (ARDL). The variables used were unemployment, inflation and GDP. The result revealed both in short and long run a unidirectional causality relationship between unemployment and GDP with direction from unemployment to GDP and Unidirectional Causality running from inflation to

GDP. Recommendation was to develop proper economic policies to encourage self-employment and entrepreneurship.

Driton and Lyrin (2017) investigated the impact of public expenditure on Economic Growth of Kosovo from 2000-2016 using econometrics analysis. The result showed that public expenditure in Kosovo had significant impact on economic growth of the country

Studies within Nigeria

Adamu (2003) determined the impact of human capital formation on economic growth in Nigeria between 1970 and 2000 using co integration and error correction techniques. The variables considered were Education, labour-force and GDP. The result indicated that investment in human capital in form of education led to economic growth and labour productivity.

Aderoju (2009) examined Oil-dependence and civil conflict in Nigeria focusing on the economic dynamics of resource –induced conflict. Descriptive statistic and ordered logic was used to analyzed data drown from structured questionnaire distributed to respondents across Niger-Delta region. The variables examined were effect of conflict on GDP and PCI. It was discovered that failure of the government to translate Oil wealth of the nation to sustainable growth and increase the standard of living of the citizenry necessitates the various conflicts in the Niger-Delta regions. It was recommended that government should diversify the economy of Nigeria.

Lawanson (2009) examined the impact of investment in human capital and economic growth in Nigeria. He used ordinary least squares techniques. The variables used were education, health and GDP. He found that on the average, human capital actually enhances economic growth in Nigeria although, the government expenditure on health and primary education enrollment have negative coefficients which are inconsistent with the apriori expectation.

Omofonmwan and Odio (2009) investigated oil exploitation and conflict in the Niger-Delta region of Nigeria. Using structured questionnaires. The impact of cost of conflict on oil revenue was the variables tested. They discovered that struggling over natural resources leads to conflict. It was recommended for government to address the Niger-Delta question.

Dauda (2010) examined human capital formation and economic growth in Nigeria and used the endogenous growth model and structural questionnaires. She structured enrolment in the different levels of education (primary, secondary and tertiary) as proxies for human capital and found long-run positive relationship between human capital formation and economic growth in Nigeria.

Hotepo, Asokere, Abdul-Azeez and Ajemunigbohun (2010) investigated the effect of conflict on organizational performance in Nigeria using survey and questionnaire method; testing for effect of conflict on organizational performance. They found out that conflicts have both positive and negative effects on organizational performances.

Adawo (2011) examined the contributions of primary education, secondary education and tertiary education to economic growth in Nigeria using econometric model. The dependent variables were proxy by school enrolment at various levels. Independent variables included physical capital formation, and health measured through total expenditure on health and found that primary school input, physical capital formation and health contributed to growth. Secondary school input and tertiary institutions were found to dampen economic growth.

Adelakun (2011) conducted a study on human capital development and economic growth in Nigeria using OLS technique. The variables considered were GDP as proxy for economic growth; total government expenditure on education and health, and the enrolment pattern of tertiary, secondary and primary schools as proxy for human capital. He found that there is a positive relationship between government expenditure on education and health as well as pattern of enrolment in primary, secondary, and tertiary institutions in enhancing economic growth in the long run.

Amassoma and Nwosa (2011) investigated the causal nexus between human capital Investment and economic growth in Nigeria for sustainable development in Africa from 1970 - 2009 using a Vector Error Correction (VEC) and Pairwise granger causality method. The findings of the Vector Auto-regression (VAR) model and pairwise estimate revealed no causality between human capital development and economic growth. The study recommends the need to increase budgetary allocation to the education and health sector and the establishment of sound and well-functioning

vocational institute needed to bring about the needed growth in human capital that can stimulate economic growth.

Oluwatobi and Ogunrinola (2011) examined the relationship between human capital development and economic growth in Nigeria. The data used for the study were from secondary sources while the augmented Solow model was adopted. The dependent variable in the model is the level of real output while the explanatory variables are government capital and recurrent expenditures, education and health, gross fixed capital formation and the labour force. The result showed that there exists a positive relationship between government recurrent expenditure on human capital development and the level of real output, while capital expenditure is negatively related to the level of real output.

Abosede (2012) examined the magnitude of the cost of the perennial oil-related conflicts in the Niger-Delta. Data collected from field survey were analyzed with descriptive statistic. The variables tested were the impact of cost of conflict on PCI, ,oil production and revenue generation in Nigeria. It was found that the cost of conflict which ranged from loss of lives and properties had negative impact on welfare of the people, reduction of oil production and revenue generation. The recommendation was an integrated bottom-up participatory to enthrone peace and development in the Niger-Delta region.

Adebakin (2012) investigated the security challenges in Nigeria and its impact on economic development. Data were collected from CBN statistical Bulletin. Descriptive and inferential statistic was used for data analysis. The impacts of security

expenditure on GDP were the variables examined. It was found that Nigeria's expenditure on security is rising faster than spending on key sectors of the economy and has negative effect on sustainable economic development in Nigeria. He recommended a tripartite collaboration between the Government, citizen and policy maker to curb insecurity in Nigeria.

Adelowokan (2012) examined the effect of education and health expenditures on economic growth in Nigeria between 1970 and 2010 using a static regression model. He also established the long-run relationship between human capital spending and economic growth using the Engle-Granger two-step co integration procedure and found that public investment and public consumption (in education and health) exerted positive influence on economic growth, while, private investment exerted negative effect on economic growth in Nigeria.

Edobor(2012) investigated the impact of terrorism and violence on entrepreneurs in Nigeria. He used Trend analysis and simple graph for data analysis. The effect of terrorism and violence on GDP and FDI were the variables tested. It was discovered that there is a relationship between terrorist activities and entrepreneurial development in Nigeria. It was therefore recommended that government should curb terrorism on entrepreneurs 'activities in Nigeria.

Isola and Alani (2012) examined the contribution of human capital development to economic growth in Nigeria. The study used data from CBN statistical Bulletin and adopted the growth account model which specifies the growth of GDP as

a function of labour and capital. They employed estimated regression and a descriptive statistical analysis of trends of government commitment to human capital development and found that though little commitment had been accorded health compared to education, empirical analysis showed that both education and health components of human capital development contributed to economic growth in Nigeria.

Nwokolo (2012) examined the impact of oil resources fuel violence on village communities using Delta State as case study. He employed qualitative approach using semi-structured interviews and documentary sources to collect and analyze data. The variables tested were effect of conflict on poverty, unemployment and land struggles. He discovered that poverty, unemployment and land struggles are the social-economic condition of village communities where oil is situated which stimulates violence. He recommended that elimination of structural violence like social exclusion, poverty, unemployment and environmental degradation can help reduce the violence struggle.

Oghoghomeh, (2012) investigated the impact of cost of peace keeping in the Niger-Delta region and the economic development of Nigeria. A longitudinal survey designed for the period 1999-2008 was adopted. It was discovered that cost of peace keeping in the Niger-Delta region in Nigeria has a negative significant impact on the economic development of Nigeria. The impacts of cost of security on Nigeria's GDP were the variables considered. It was recommended that government and multinational Oil companies should address the infrastructure decay and exploitation of the people of the Niger-Delta region to enthrone peace for economic development.

Olokoyo, (2012) examined the effects of Foreign Direct Investment (FDI) on the development of Nigerian economy. The paper tried to answer the question: what are the FDI determinants in Nigeria and how do they affect the Nigerian economy? The study used Ordinary Least Square (OLS) regression technique to test the time series data from 1970 – 2007. The Co-integrated method was also used to correct for autocorrelation. The regression analysis results evidently do not provide much support for the view of a robust link between FDI and economic growth in Nigeria as suggested by extant previous literature. Though the result does not imply that FDI is unimportant, the model analysis reduces the confidence in the belief that FDI has exerted an independent growth effect in Nigeria.

Akwara, Akwara, Enuchela, Adekunle and Udaw (2013) examined the relationship between insecurity and economic growth in Nigeria; using descriptive analysis. Impacts of insecurity on unemployment, poverty were the variables tested. They discovered that insecurity had significant effect on unemployment, poverty in Nigeria.

Arong (2013) investigated the effect of cost of militancy and unrest or peace accounting on the productivity of private organizations in Nigeria. A longitudinal survey designed for the period 2003-2012 was adopted. Cost of militancy productivity of private organizations were the variables tested. He discovered that cost of peace-keeping in the Niger-Delta regions had significant positive impact on the productivity of private organizations in Nigeria. It was recommended that government as well as

the multi-national Oil companies should pay special attention to the Niger-Delta questions.

Anforum (2013) examined the link between the defense outlays and economic growth of Nigeria. Secondary data was collected and two stage least square method of system estimation was employed. Defense expenditure and GDP were the variables examined. It was discovered that defense expenditure had a significant positive impact on economic growth nexus of Nigeria. He recommended the need for innovations in defense research and development to add to economic growth in Nigeria.

Mba, Mba, Ogbuabor and Ikpegbu (2013) examined the relevance of human capital development on the growth of the economy using the ordinary least squares (OLS) technique. GDP was used as a proxy for economic growth; Per Capita Real Gross Domestic Product, primary school enrolment, public expenditure on education and health, life expectancy and stock of physical capital as proxy for human capital. They found that there was a strong positive relationship between human capital development and economic growth.

Mehrara and Musai (2013) investigated the causal relationship between education and GDP in developing countries using panel unit root tests and panel co integration analysis for the period 1970-2010. A three-variable model was formulated with capital formation as the third variable. The results showed a strong causality from investment and economic growth to education in these countries. Yet, education does not have any significant effects on GDP and investment in the short- and long-run. It

means that it is the capital formation and GDP that drives education in the countries, not vice versa.

Ogujiuba (2013) examined the relationship between economic growth and human capital development. Secondary sources of data in time series characteristics were used. Findings also showed that investment in human capital in the form of education and capacity building at the primary and secondary levels impact significantly on economic growth, while capital expenditure on education was insignificant to the growth process. It was recommended that educational institutions in Nigeria should be re-structured for quality schooling at the primary, secondary and tertiary levels.

Onyeagu and Okeiyika (2013) investigated the interaction between foreign direct investment and human capital on economic growth in Nigeria. They found that FDI in Nigeria, had a negatively relationship to growth in the long run, meaning that the contribution of FDI in Nigeria is small and human capital had negative effects on growth in the long-run. The study claimed that this was due to shortage of skilled labour in the country.

Oriavwote and Eshenake (2013) investigated the impact of security spending and economic growth of Nigeria. Data covers from 1980-2010 periods were used. ECM model was used for the data analysis. The impacts of security spending on GDP were the variables tested. They discovered that expenditure on defense had a negative impact on the level of economic growth in Nigeria. It was recommended that

government should reassess the content of her defense expenditure and make it more transparent and growth oriented.

Eigbiremolen and Anaduaka (2014) employed the augmented Solow human-capital-growth model to investigate the impact of human capital development on national output, a proxy for economic growth, using quarterly time- series data from 1999-2012. The study showed that human capital development, in line with theory, exhibited significant positive impact on output level. This implied that human capital development is indispensable in the achievement of sustainable economic growth in Nigeria, as there is an increase in economic performance for every increase in human capital development. Their results further revealed a relatively inelastic relationship between human capital development and output level.

Ijeoma (2014) examined the impact of cost of conflict on economic development in Nigeria. Data was collected using field survey. kruskal-wallis test factor analysis and bar chart were used to analyzed the collected data. The variables tested were impact of cost of conflict on infrastructural, welfare and GDP of Nigeria. It was discovered that conflict had significant impact on economic development in Nigeria and recommended that government should improve on infrastructural development to enthrone peace.

Iyoboyi (2014) examined the impact of conflicts on economic growth in Nigeria, using annual data for the period 1981 - 2011 and employing the econometric analysis. GDP, unemployment, instability and poverty were the variables tested He found that conflicts significantly influence instability and poverty in the country. It

was recommended that, while economic growth is accorded priority, policies which promote equity, foster mass employment, minimize distortions and reduce poverty need to be enacted and vigorously implemented.

Ofolaranmi (2014) investigated the impact of capital flight on economic growth in Nigeria. He used econometric analysis. The impact of capital flight on unemployment in Nigeria was the variable examined. It was discovered that capital flight contributes significant and positive impact to unemployment in Nigeria. The recommendation was for the government to improve entrepreneurial development in Nigeria so as to curb the effect of capital flight.

Olabanji (2014) examined the pertinent issue of insecurity in Nigeria and its implication for socio-economic development. Data recorded from various insecurities were compared and time series method was applied. Effects of insecurity on physical infrastructures and GDP were the variables tested. It was discovered that rising wave of insecurity has assumed a dangerous dimension which is threatening the corporate existence of Nigeria. It was recommended that government should accelerate the pace of economic development through creating an economy with relevant social economic and physical infrastructures to support businesses and industrial growth.

Adigwe Ezeagba and Udeh (2015) examined the effect of Foreign Direct Investment (FDI) on Economic Growth in Nigeria using time series data collected from CBN statement Bulletin from 2008-2015. Pearson correlation analysis with the aids of SPSS version 20.0 were the statistical tools employed. The result showed that a significant relationship existed between FDI, exchange rate and GDP indicated that

economic growth in Nigeria is directly related to FDI and exchange rate. They recommended among others that there is need for government to be formulating investment policies that will be favourable to local investors.

Eze (2015) examined the impact of crude oil export on Nigeria's economy and its level of corruption. Using panel data analysis; discovered that oil export had significant impact on Nigeria's economic growth. The variables examined were the impact of crude oil export on Nigeria's GDP. It was recommended that policies on oil and non-oil export promotion strategy should be taken seriously by the government to enhance the promotion of Agriculture and manufacturing sector economy driven.

Jaiyeoba (2015) investigated the relationship between investment in education and health in Nigeria, using time series data from 1982 - 2011. The variables used were GDP, health and education expenditure, secondary and tertiary enrolment rate and gross fixed capital formation. He employed trend analysis, Johansen co integration and ordinary least square technique. It was discovered that there is a long-run relationship between government expenditure on education, health and economic growth. Therefore, it was recommended that in order to accelerate growth and liberate Nigerians from the vicious cycle of poverty, the government should put in place policies geared towards massive investment in the education and health.

Odalonu (2015) examined the upsurge of Oil theft and illegal bunkering in the Niger-Delta region of Nigeria from 2009-2014. Data collected from CBN statistical bulletin. The data were analyzed with content analysis method. The variables examined were effects of corruption, Oil theft and illegal bunkering on GDP. It was

discovered Oil theft and illegal bunkering had significant negative impact on Nigeria's economy. It was recommended that government and all stakeholders should put concerted efforts to put to an end corruption and oil related crimes in Nigeria..

Onwachukwu (2015) examined the impact of unemployment on economic growth in Nigeria from 1985-2010. Using OlS and Augmented Dickey-Fuller test. RGDP unemployment and inflation were the variables tested It was discovered that unemployment does not have significant impact on economic growth in Nigeria. While inflation had significant impact on the economic growth. Recommendation was for the government to help accelerate the rate of growth in the country.

Owolabi (2015) examined the impact of infrastructure and economic growth in Nigeria from 1983-2013 using causality econometric techniques. Loss infrastructure and GDP were considered. He discovered that infrastructure development has significant and positive impact on Nigeria's economic growth.

Owolabi and Ayenakin (2015) investigated that impact of insecurity on economic growth in Nigeria for the period 2003-2012 using of field survey method. The variables tested were impact of insecurity on Nigeria's GDP. They discovered that insecurity negatively affect economic growth in Nigeria.

Adenike and Sheriffdeen (2017) examined the effect of human capital variables on economic growth in Nigeria from 1986-2014, using the modified OLS techniques. Variables considered were investment in Education, Health expenditure, RGDP and gross capital formation .They discovered that a significant relationship

existed between the interactive effects of the human capital component on Nigeria's GDP.

Imoisi, Amba and Okon (2017) examined the impact of unemployment rate and economic growth in Nigeria 1980-2016.Secondary annual time series data from CBN statistical Bulletin was used. OLS multiple regression analytical tool was employed. The study established that unemployment, population and labour force had significant impact on Nigeria's economic growth while minimum wage does not have significant impact on Nigeria's economic growth. It was recommended that 1. Government should ensure job creation especially in the real sectors 2.Deregulation of the labour market and 3. Government to give subsidies to the private sectors employment.

OLuseun (2017) conducted a study on impact of labour unemployment on corporate Debt policies of Nigeria's quoted firms from1999-2014 using 50 companies quoted in Nigeria's stock exchange. Panel data Least Square Regression techniques was employed. It was discovered that unemployment exerts downward pressure on companies' borrowing. Recommended promotion of corporate policies that strengthen conservative debt usage in industries where Human capital risks are concentrated

The various empirical studies above have been carefully examined but in my opinion:

Ertugrul (2008) investigated the relationship between defense expenditure and economic growth of Turkey from 1969-2004.

Abdul and Murshed (2002) examined the relationship between conflict and financial development, Chowdhury and Mavrotas (2006) examined the causal

relationship between FDI and economic growth covering the period 1969-2000 for Chile, Malaysia and Thailand. The study used the Toda and Yamamoto causality test. Their topic suggested they were supposed to used statistical tool that test for relationship like chi square, ANOVA, co-relation techniques etc. rather than, econometric and regression test analysis employed.

The work of Namsuk and Conceicao (2010) investigated the impact of conflict on human development from 1960-2006. And Aishahrani and Alsadia (2014) examined the effect of conflict on educational expenditure and economic growth rate in Saudi Arabia using Time series method, applied wrong statistical tools. They were expected to use ordinary least square (OLS) regression analysis instead of Time series method because Time series method is not a statistical tool.

Anupam (2014) examined the impact of FDI outflow on GDP of Bricks countries using cross sectional and panel data techniques from 2005-2013. Found that FDI does not significantly impact on the GDP of Bricks countries

Miaari and Sauer (2011) investigated the lower bound estimate of the labour market cost of the Israelites Palestine conflict. They used panel data analysis also. But the appropriate statistical tool to use would have been econometric techniques.

The Nigerian authors, Hotepo, Asokere, Abdul Azeez and Ajeimunigbohun (2010), Adebakin (2012), Oghoghomeh (2012), Arong (2013), Owolabi and Ayeriakin (2015) investigated the impact or effect of conflict and security challenges for periods of time; using field survey and questionnaire method. They applied wrong

statistical tools. They were expected to use OLS regression analysis for the impact and effect relationships.

Ijeoma (2014) examines the effect of cost of conflict on economic development in Nigeria. But the choice of the 200 questionnaires randomly administered to Awka South LGA of Anambra state only cannot give equal representation of the entire population of Nigeria. Also GDP could have been appropriate used to measure economic growth rather than economic development.

Edesiri and Egbunike (2016) examine cost of peace Accounting and National security in Nigeria: Does it really matter? Using econometric techniques and found that expenditure on internal security, cost of peace keeping and gross fixed capital formation are dynamics of peace accounting and expenditure on internal security has negative effect on GPI. They recommended that Nigeria with security challenges should engage experts to develop peace accounting models for measuring cost of peace and that special attention should be paid to expenditure on internal security which has negative effect on GPI. The topic needs restructuring in order to become a researchable topic.

Mosoome (2010) and Toboho (2013) examined the impact and effect relationship in their studies and employed CGE model and panel data respectively as their analytical tools. The appropriate statistical tools they could have used is econometric analysis for testing impact and effect relationship.

2.3.1 Summary of Empirical Studies

Table 2.1: Summary of Empirical Studies

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
1	Alberto (2000)	Economic effect of conflict in the Basque countries. Variables: military expenditure, GDP, per capita income.	Descriptive statistics and OLS regression method	Found that outbreak of conflict leads to per capita income on GDP to 8% decline	Recommended economic reform policies to increase welfare
2	Kosuke (2000)	Measuring the Economic impact of civil war 1990-2000 Variables considered: Civil war, private domestic investment & public investment	Fixed and random effect model	Civil war affects economic growth by decreasing private investment	
3	Addison, Abdur & Murshed (2002)	The relationship between conflict and financial development. 1989-1997 The variables used were: Higher intensity of conflict, financial stability. lower intensity of conflict	t-test statistics	The presence of high intensity conflict produces long run reduction in financial development by 5.18%	Recommended prevention and resolution of conflict through democratization and broad-based reconstruction
4	Aizenman & Glick (2003)	The long-run impact of military expenditure on economic growth. 1980-1999 The Variables used were: military expenditure. External threats &	Barro-estimation method and simple regression analysis	Military expenditure and hostile external threats have adverse impact on growth while military expenditure without threats	Recommended peace building

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		GDP..		increase growth.	
5	Maitra (2003)	Contribution of investment in human capital and employment on economic growth	Johansen co-integrated test analysis	Discovered a long-run relationship among economic growth indices, human capital investment and employed labour force .Further econometrics test revealed that both human capital investment and employment contributes to a rise in economic growth of Singapore	Recommended government increasing its expenditure on human capital development and creating employment opportunities in the country
6	Fatmata (2003)	The effect of conflict in one country and the economic growth in the neigbouring country. The variables considered: were military spending, GDP, per capita income	Panel data estimation method and simple regression analysis	Discovered that conflict in one country significantly affect economic and other growth enhancing variables in the neighbouring countries	Recommended conflict management & resolution
7	Fatmata (2004)	Conflict in Neighbouring	Fixed effect and random	The study finds that conflict in	Recommended that the resolution of

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		Developing countries: (Direct and Indirect) effects on Economic growth 1990- 2000 Variables used were: GDP, per capita growth rate, population growth rate, investment in physical capital accumulation, illiteracy, minor conflict, intermediate conflict & war.	effect	one country does not only reduce economic growth of a country but also significantly affects the growth potentials of other countries directly and indirectly.	conflict should take a regional perspective. And also to embark on post conflict reconstruction
8	Sungsup & Bipuh (2005)	Economic cost of conflict in Nepal country 2005-2009.The variable used : military expenditure, GDP and Inflation rate	Estimation techniques and econometrics analysis	Found that conflict led to 8.3% loss to GDP	Recommended improving growth enhancing variables
9	Chowdhury & Mavrotas (2006)	The causal relationship between FDI and economic growth of Chile, Malaysia and Thailand. 1969-2000	Toda and Yamamoto causality approach	The result showed that GDP caused an increase in FDI in the case of Chile and not vice versa. But for Malaysia and Thailand, there was a strong evidence of a bi-directional	

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
				causality between the two variables	
10	Gyan (2006)	Nepal's Civil war and its Economic cost 1996-2006 The variables considered were: military spending, internal security investment. Economics services Loss, output and FDI	Simple Harrod Domar growth relationship	Found that the opportunity cost of conflict b/w 1996- 2006 showed that loss output has been about3% of Nepal's current GDP	Recommended reduction in military spending
11	Stergios, Redrigo, Alys & Miller (2006)	The economic cost of conflict on military expenditure in Srilankan Variables: military expenditure, GDP & capital expenditure.	Event study method and econometric analysis	Discovered a significant negative effect of 9% of capital expenditure on GDP both in short and long run	Recommending return to high investment on physical capital
12	Nabil Simon and Yu (2007)	The dynamic effect of public investment in human capital in Canadian context.	Computable overlapping-generations model (OLGM)	Found that a tax-financed increase in public spending on education may have significant crowding-out effects in the short run. In the long run, however, higher education incentives may increase the rate of human capital accumulation which in turn	

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
				could mitigate the negative effects of population increase	
13	Yakovlov (2007)	Growth effect of military expenditure and arms trade and their interaction in Barro growth model. The variables used: military expenditure and trade relationship between countries.	Fixed, random effect estimator method and econometric analysis	Discovered that high military spending decreases economic growth but net arms export is less damaging to economic growth	Recommended increases on arms exporting trading
14	Likukela (2007)	An econometric analysis of the effects of cost of conflict on economic growth in Namibia 1993-2003. Variables used were Cost of conflict on GDP & price.	Cross-sectional, time series method & econometric analysis	Found that in the short run, domestic price are influenced by the level of economic growth and foreign price	Recommended conflict resolution and improving trade relation
15	Alexi (2008)	Effect of terrorism on Developed and developing countries. Variables used: Defense expenditure, tourism. GDP.	Cross sectional data set method and regression analysis	Discovered that terrorism has more damaging effects in the tourist sectors to developing countries than the developed countries	Recommended adequate attention to security for the developing countries
16	Ertugrul (2008)	Defense expenditure and economic growth in Turkey 1969-2004. Variables used:	Panel data method and econometric analysis	Discovered a negative linkage between military expenditure and economic growth	Recommended reduction in military spending

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		Defense expenditure, GDP & output.		in Turkey	
17	Gaibulloev& Sandler (2008)	The impact of terrorism and conflicts on economic growth of Asian countries.1970-2004. Variables used: Terrorist incidents, GDP &per capita income.	Descriptive statistics and OLS regression analysis	Discovered that terrorist incidents reduce GDP per capita to about 1.5% in Asian countries.	
18	Krishna & Shakya (2008)	Effects of militarization on human right performance of six south Asian economies 1980-2006.Variables used: Defense expenditure , human right and output.	Cross sectional survey and simple regression analysis	Discovered that increase military spending significantly reduces human right	Recommended reformation of human right violation right in these countries
19	Rodriguez & Sanchez (2008)	The effect of exposure to armed conflict on school dropout decision of Colombian children between the ages of 16-17. Variables used: Armed conflict, School enrolment &dropout of school children	Descriptive statistic and OLS regression analysis	Found that armed conflict reduces the average years of schooling to 8.78% in Colombia.	
20	Selvarathinam (2008)	Impact of peace on economic growth in developing counties 2000-2004.	Cross sectional analysis and OLS regression	Discovered that peace contributes to economic growth in	Setting up peace-keeping resolution committee in developing

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		Variables used: peace, output, GDP, inflation and welfare.	analysis	developing countries	countries
21	Khusrav & Todd (2008)	The impact of terrorism and conflict on economic growth in Asia 1970-2004 Variable considered Transnational terrorism attack, GDP, Per Capital growth & Internal conflict attack	Panel estimation	Terrorist incident per million person reduce GDP Per Capital growth by 1.5%	
22	Wube (2008)	The relationship between the productivity of human capital and GDP in Ethiopia	Econometric techniques	Found that human capital has significant relationship with the GDP in Ethiopia	
23	Keller (2009)	The effect of conflict on intergroup control and dominance. Variables: low level conflict, medium level conflict high power level & productivity.	Inferential statistics OLS regression analysis	Found that power conflict significantly affect branch stress	
24	Benmelechi, Barrebi & Klor (2010)	The economic effect of cost of harbouring suicide terror attacks in Palestine 2006-2010 Variables: Terrorist attack unemployment & wage variance	Co relational design method and OLS regression analysis	Found that terrorist attack caused an increase of unemployment and wage increase to about 5.7%	Increase welfare scheme to reduce conflict and unemployment

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
25	Justino (2010)	The impact of violence conflict on individual educational outcome. Variables security expenditure, School enrolment & infrastructure.	Ex-post factor OLS regression analysis	Found that destruction of infrastructural significantly affects school enrolment	
26	Mosoome (2010)	Impact of government expenditure on GDP, employment and private investment in Iran. Variables used :GDP employment and private investment	ACGE Approach	Discovered that government expenditure influenced economic growth of Iran depending on the cost	
27	Namsuk & Concercao (2010)	The impact of conflict on human development 1960-2006. Variables used: Conflict, low level development and high level development.	Case study OLS regression analysis	Discovered that low level of human development increases the outbreak of conflicts	Recommended an improvement in human capital development
28	Baddeley (2011)	Impact of conflict on financial structure instability, Variables: Defense expenditure, financial instability & infrastructural development	Panel estimation method and two stage probity least square test analysis	Discovered that financial instability increase the chance of conflict which will in turn affect infrastructural development negatively	Recommended building strong infrastructure development to boost human capital development

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
29	Dunne (2011)	Military expenditure, Growth, Development and conflict Variables: GDP, per capita income, gross investment. Military expenditure, labour force growth rate	Panel data set and trend analysis	Found a significant negative effect on short run and insignificant long run effect of military burden on per capita GDP growth.	
30	Dunne (2011)	The impact of military spending and economic growth of large group of 50 developed and developing countries 1995-2006. Variables used: Military spending, GDP of developing countries & GDP of developed countries	Panel data estimation method and OLS regression analysis	Found that military spending had significant and damaging effect on low income and developing countries than the developed countries	Recommendation was to reduce military spending and to address the issue of insecurity in the developing countries
31	Davis & Daniel (2011)	The causes and effect of military expenditure on economic growth in Indian. Variables: military expenditure, capital expenditure, GDP & Inflation.	Cross sections estimation method and OLS regression analysis	Found that military spending significantly and negatively affect economic growth in Indian,	Improve welfare to reduce conflict outbreak
32	Hamid (2011)	The economic cost of conflict in Darfur country 2003-2009.Variables: cost of conflict, output, GDP.	Case study method and graphical representation techniques	Found that conflict cost Darfur 16-23% on her GDP growth	Increase welfare package to reduce conflict
33	Miaari &	The lower bound	Co relational	Discovered there	Recommended the

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
	Sauer (2011)	estimate of the labour market cost of the Israelites Palestinian conflict. Variables: Conflict &unemployment rate.	method and OLS regression analysis	exist significant negative effect of the conflict on Palestinian unemployment rate.	reduction of military spending
34	Akbari, Moayedfar & Jouzaryan (2012)	Effect of human capital on the economic growth of Iran in the short and long-run	Auto-regressive distribution lag model	Found a positive and significant effect of human capital on economic growth in Iran.	
35	Dunne (2012)	Military spending, Growth development and conflict 1988-2006. Variables used: military spending, PCI and GDP	OLS regression analysis	Discovered that military spending had negative effects both in the short and long-run	
36	Sany (2012)	Effect of cost of conflict on Education system in Cote d voire 2000-2004	Time series and regression analysis	Found a significant negative effect of cost of conflict on Educational enrolment in Cote d voire	Recommended peace building and conflict resolution in the country
37	Naixinzhu (2012)	Does a country inflation rate influence the possibility of its involvement in a foreign policy crisis? Variables GDP, tourism, FDI & output.	Cross sectional design and log regression analysis	Found that inflation significantly induce crisis	Recommended strict control of domestic inflation
38	Serneels & Marijke (2012)	The economic consequences of civil war in Rwanda. Variables: low	Survey method and graphical analysis	Found that localities that experienced more intense conflict are	Recommended tax reform policies

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		intense conflict, high intense conflict and consumption.		lagging behind in terms of consumption	
39	Aziz & Asadullah (2013)	Re-examines the causal impact of military expenditure on economic growth of developing countries in post-war Era 1990-2013,Variable:GDP & military spending	Cross-sectional and panel data method	Discovered that military expenditure negatively affects economic growth during the post-war Era	
40	Ganegodage & Alicia (2013)	Impact of cost of conflict on economic growth of developing countries: A case study of Srilankan with open economy. Variables: GDP, human capital	Neoclassical and endogenous growth model	Found a significant and negative effect both on short and lon-run of annual average of 9% decrease in GDP and high reduction in investment in human capital.	
41	Toboho (2013)	Effect of unemployment rate on economic growth in South Africa 1980-2011. Variables used: GDP, unemployment	Augment Dickey-Fuller, Johansen co-integration and Granger Causality test	Discovered that there was no causality between unemployment rate and GDP of South Africa	Recommended encouraging policies geared towards enhancing the economic growth.
42	Makuria (2013)	The relationship between cost of conflict, inflation	OLS regression analysis	Found that conflict led to increased	Recommended peace building in oil rich

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		and economic growth in Ethiopia. Variables: inflation rate, output, GDP& per capita income		inflation rate which in turn led to contraction of GDP, output and per capita income of Ethiopians	communities
43	Ahmet (2014)	The long-term impact of human capital investment on GDP of 13 developed countries and 11 developing countries 1970-2010. Variables used: Gross fixed capital formation, Education expenditure, life expectancy at birth and GDP.	Panel DOL and IMOLS Panel, co-integrated regression model.	It was discovered that the impact of physical capital and Education expenditure on GDP is higher in the developed countries. Whereas the impact of life expectancy at birth on GDP is higher in the developing countries	
44	Alshahrani and Alsadia (2014)	Effect of cost of conflict on economic growth rate in Saudi Arabia (1969-2010). Variables considered were: GDP, Education expenditure and FDI	Econometric techniques	Found that FDI and Education expenditure significantly affected the economic growth of Saudi Arabia within the period under study.	Recommended that government should place priority attention on security and infrastructure.
45	Anupam (2014)	Impact of FDI outflow on GDP of Bricks countries from 2005-2013.Variable: GDP, FDI	Cross sectional and panel data analysis	Found that FDI has insignificant impact on GDP of the Bricks countries	
46	Gui – Dibya (2014)	Impact of cost of conflict on FDI and economic growth in Africa. 1980-2009.	Panel data estimation method.	He discovered that the cost of conflict significantly	He recommended that there should be institutionized peace building

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		Variables used: GDP, FDI		slow down foreign direct investment on GDP.	intervention mechanisms in Africa
47	Hoon (2014)	Effect of armed conflict on FDI on selected fifty countries that received FDI in the petroleum sector 1980-2006	Regression analysis	The result showed that armed conflict reduce FDI in petroleum sectors	
48	Kaouadi (2014)	Effect of FDI on 76 developing countries. Variables used: GDP, FDI inflows.	OLS regression analysis.	Discovered that FDI has significant impact on developing countries hosting such investments.	
49	Ragnhild (2014)	The effect of internal armed conflict on petroleum resources 1961-2007.Variable used: oil resources, increase conflict& GDP.	Cross sectional survey method logistic regression analysis	Discovered that oil resources significantly increase conflict among countries at lower scale level	Recommended peace building in oil rich communities
50	Tadele (2014)	Inflation and growth relationship: A comparative study of Ethiopia and Uganda. The variable considered. Oil resources, GDP and conflict.	Cross sectional survey design and OLS regression analysis	Found that conflict significantly increases inflation to about 15% of GDP	Recommended policy reformation in Ethiopia and Uganda
51	Baghirov (2014)	The direct and indirect effect of oil price shocks on economic growth: A case study of Litjuania 1995-	Factorial design and OLS regression analysis	Discovered that the indirect effect of 50% increase of oil price growth rates on real GDP and a	Recommended to eliminate trade linkage investigation

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		2012. Variables considered: Direct cost of conflict, GDP, Indirect cost of conflict.		negative direct effect on GDP of Lithuania country	
52	Shannon (2014)	The relationship between youth unemployment and involvement in terrorism: A case study of selected Asian countries 2000-2009. Variable used. youth unemployment, terrorism	Cross section survey and linear regression analysis	Discovered a significant relationship between unemployment and youth involvement in terrorism activities in the selected countries	Recommended creating gainful employment and increase welfare package for the youth
53	Sefa & Siem (2014)	The effect of military expenditure on economic growth on 42 meta countries. Variables used: military expenditure & GDP of developing and developed countries	Co relational research design and meta regression analysis	Discovered that military expenditure affect the developed countries positively but had negative effects for the developing countries	Peace building and creating enabling environment for FDI in developing countries
54	Beriwan (2015)	The economic cost of conflict and war in the middle east. A case study of Iraq's and Kuwait.(1990-2000) Variables used. Unemployment rate, military expenditure, FDI & GDP	Narrative base method and OLS regression analysis	Found that the Cost of conflict variables resulted in lower level of GDP and weakened financial system in the countries studied.	Recommended to increase peace building and reconciliation in the country to boost the economic growth.

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
55	Lucas(2015)	The relationship between human capital and economic growth of sub-Saharan African countries 1988-2011. Variables used: Human capital, Education enrolment and GDP	Panel data regression model.	Discovered that Education enrolment does not have significant relationship with GDP of sub-Saharan African	Recommended that government should increase its expenditure on Education and infrastructure.
56	Rubaba et al (2015)	Infrastructure in conflict prone dramatic republic of Congo as case study. Variable considered: Conflict ,infrastructure transportation	Historical research design and instrument path model analysis	Discovered that conflict reduced transport welfare and the intense conflict negatively affect welfare despite improved infrastructure	Recommendation was strengthen security
57	Shaf (2015)	The influence of armed conflict in Afghanistan and Iraq FDI 2003-2010. Variable considered. Armed conflict ,FDI	Descriptive statistical and structural focused comparative analysis	Discovered that there exist significant positive relationship between armed conflict and FDI in the two countries	Creating friendly trade relationship between the countries
58	Omazhe (2016)	Effect of unemployment on the economic growth of Greece (1995-2015). Variables used: GDP, unemployment and	Unit root test and Bound test (ARDL	Found that both in the short and long-run, a unidirectional causality relationship exist between unemployment	Recommended to develop proper economic policies to encourage self-employment and entrepreneurship

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		inflation.		and GDP with direction from unemployment to GDP and also unidirectional causality running from inflation to GDP.	
59	Maya (2016)	Human capital, public debt and long term economic growth for 76 developing countries. Variables considered were: GDP ,public debt to GDP, public education expenditure to GDP, ratio, average schooling ratio and inflation rate.	Panel data and econometric techniques	Found a significant relationship between Educational enrolment with GDP ratio	
60	Power (2016)	The effect of conflict, inequality on FDI. Variables used. Conflict & FDI	Co relational research design and OLS regression analysis	The result showed that conflict significantly and robustly reduced FDI	
61	Driton and Lyrin (2017)	Impact of public expenditure on economic growth of Kosovo 2000-2016. Variables used: public expenditure &GDP	Econometric analysis	The result showed that public expenditure had significant effect on GDP of Kosovo	
Studies within Nigeria					
62	Adamu (2003)	Oil dependence and civil conflict in Nigeria. Variables considered: oil revenue, GDP &	Econometrics analysis method and comparative analysis	Discovered that failure of the government to translate oil wealth of the	Recommendation was to diversify the economy

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		PCI		nation to sustainable growth and increase the living standard of the citizenry necessitates the various conflicts in the Niger-Delta regions.	
63	Aderoju (2007)	Impact of human capital formation on economic growth in Nigeria. 1970-2000. Variables considered: Education, Labour force, labour productivity and GDP.	Co-integration and Error correction techniques	The result showed that investment in human capital in form of Education led to economic growth and labour productivity	
64	Lawanson (2009)	Impact of investment in human capital in economic growth in Nigeria. Variables used: education, health and GDP	Ordinary least Square techniques	Found that human capital enhances economic growth in Nigeria but government expenditure on health and primary education enrolment had negative effect on GDP	
65	Omofonm-wan & Odion (2009)	Oil exploitation and conflict in the Niger-Delta Nigeria. Variables used: Conflict &oil exploitation	X^2 test statistics	Discovered that struggling over natural resources leads to conflict	Recommendation was for the government to address the Niger Delta question

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
66	Dauda (2010)	Effect of human capital formation on economic growth in Nigeria. Variables used human capital formation, GDP	Endogenous growth model and structure questionnaire	Discovered that there exist positive relationship between human capital formation and Nigeria's GDP	
67	Hotepo et al (2010)	The effect of conflict on organization; performance in Nigeria. Variable tested: Conflict, incentive, motivation & organizational performances	t-test statistics	The result showed that conflict had both positive and negative effect on organization's performance	Recommended to increase incentive and motivation in organizations
68	Abosume & Pavlos (2011)	The impact of cost of conflict on economic growth in Nigeria 1981-2004. Variables considered: Conflict, GDP, inflation rate, unemployment.	Survey method and panel data analysis	Discovered that inflation and unemployment rate are the variables significantly affecting Nigeria's GDP	Recommended that government should create gainful employment for the youths
69	Abosede (2011)	An analytical evaluation of the cost of conflict in Nigeria's Niger Delta. conflict, oil production & revenue generation were the variables used	X^2 test statistics	Discovered that conflicts reduces oil production and revenue generation in Nigeria	Recommended on integrated participation of government and other stake holders in Nigeria to put to an end conflict in Nigeria
70	Adawo (2011)	Contributions of primary, secondary education and tertiary	Econometric techniques	Found that primary input physical capital	

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		education on economic growth in Nigeria. Variables used: primary education, secondary education and GDP		formation and health contributed to economic growth while secondary input and tertiary institutions dampened economic growth.	
71	Adelakun (2011)	The effect of human capital development on economic growth in Nigeria. Variables used GDP, total government expenditure on education and health and enrolment pattern in schools/	Ordinary Least Square Regression analysis	Discovered that there exist a positive relationship between government expenditure on education and health as well as pattern of enrolment in schools.	
72	Amassoma & Nwosa (2011)	The causality between human capital investment and economic growth in Nigeria for sustainable development in Africa. 1970-2009	Vector Error Correction (VEC) and Pairwise granger causality method.	He discovered that there exist no casualty between human capital development and economic growth	Recommended that there is need to increase budgetary allocation to education and health sectors and establishment of well - functioning vocational institute to stimulate economic growth in Nigeria
73		The relationship	Augmented	The result shows	

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
	Ogunrinola & Ogun (2011)	between human capital development and economic growth in Nigeria. Variables used Real output, Government capita and recurrent expenditure, education and health, gross fixed capital formation and labour force.	Solow model	that there exist a positive relationship between government recurrent expenditure on human capital development and the level of real output, while capital expenditure is negatively related to the level of real output	
74	Adebakin (2012)	Security challenges in Nigeria and its impact on the economic development. Security expenditure, GDP and output are the variables used.	Descriptive and inferential statistics	Found that Nigeria's expenditure on security is rising faster than expenditure on key sectors of the economy thereby affecting the economic development of Nigeria	Recommended a tripartite cell abortion between the government, citizen and policy makers to curb insecurity in Nigeria
75	Adelowoka (2012)	The effect of education and health expenditure on economic growth in Nigeria 1970-2010	Static Regression Model and Engle-Granger two-step co-integration procedure analysis	Discovered that public investment and public consumption on education and health exact positive influence on economic growth while private investment exact negative	

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
				influence on economic growth in Nigeria.	
76	Edobor (2012)	The impact of terrorism and violence on entrepreneur in Nigeria Variable used: terrorist activities, organizational performance and GDP	Trend analysis method and simple graph	Discovered that there exist a significant relationship between terrorist activities and entrepreneurial development in Nigeria	Recommended for government to address the security challenges in the countries
77	Isola & Alani (2012)	The contribution of human capital development to economic growth in Nigeria.	Secondary data from CBN statistical bulletin. adopted the growth account model and employed estimated regression and descriptive statistical analysis	The result showed that both education and health component of human capital development contributed to economic growth in Nigeria	
78	Nwokolo (2012)	The impact of oil resources fuel violence on village communities. Variable used: Causes &violence	Case study semi-structured interviews and comparative analysis	Found that poverty unemployment and land struggles are the social economic conditions that stimulate violence	Recommended elimination of structural violence like social exclusion, poverty e.t.c. to reduce the violence struggle
79	Oghoghomeh (2012)	The impact of peace keeping in the Niger Delta region and the	Longitudinal survey design and inferential	Discovered a significant negative impact	Recommended that government

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		economic development of Nigeria 1999-2008. Variable used: cost of peace keeping &GDP	statistics	of cost of peace keeping in Niger Delta region and Nigeria's economic development	and the multinational oil companies should address infrastructure decay and the Niger Delta question
80	Akwara, etal (2013)	The relationship between unemployment, poverty and insecurity in Nigeria. Variable used: Insecurity unemployment and poverty	Case study and descriptive statistic	Discovered that insecurity had significant negative effect on unemployment, poverty in Nigeria	They Recommended addressing the security challenges in the country by the federal government
81	Adole, Mbaya & Aliyu (2013)	Political violence and its social economic consequences on the development of yobe state Variable considered: Political violence poverty, unemployment & leadership failures	t-statistic	Discovered the poverty and unemployment are not the causes of violence but rather systemic leadership failures	Recommended an effective political leadership to enthrone their constitutional duties and mandates
82	Arong (2013)	The effect of cost of militancy and unrest or peace accounting on the productivities of private organization in Nigeria 2003-2012. Variable used: militancy, unrest & productivity.	Longitudinal survey and ANOVA	Discovered that cost of peace keeping in the Niger Delta regions had significant effect on the productivity of private organization in Nigeria	Recommended that the government as well as multinational oil companies should pay special attention to the Niger Delta Question
83	Anforum (2013)	The link between the defense outlay and economic growth in	Instrumentation research design and two stage	Discovered that defense expenditure had	Recommended an innovation in

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		Nigeria. Variable used: Defense expenditure & GDP	least square regression analysis	significant impact on economic growth nexus of Nigeria	defense research and development to add to economic growth in Nigeria
84	Ogujiuba (2013)	The relationship between economic growth and human capital development	Secondary sources of data in time series characteristics and regression analysis.	The result showed that investment in human capital in the form of education and capacity building at the primary and secondary levels impact significantly on economic growth while capital expenditure on education had insignificant impact in the growth process.	It was recommended that educational institutions in Nigeria should be restructured for quality schooling at the primary, secondary and tertiary levels.
85	Onyeagu & Okeiyika (2013)	The interaction between foreign direct investment and human capital on economic growth in Nigeria. Variables used FDI, investment in education and GDP	Regression analysis	Found that FDI had negative relationship with GDP on the long run and also human capital had negative effect on GDP on the long run.	To increase expenditure in human capital development
86	Orivwote & Eshenake (2013)	The impact of security spending and economic growth in Nigeria 1980-2010.Variable used: Security expenditure	Correlation research design and OLS regression analysis	Found that expenditure on defense had impact on the level of economic growth	Recommended that government should reassess the content of her

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		&GDP		in Nigeria	defense expenditure and make it more transparent and growth oriented
87	Eigbiremolen & Anaguaka (2014)	Impact of human capital development on National output 1999-2012. Variables used GDP, human capital, output.	Augmented Solow model	The result of the study revealed that human capital development had significant effect on output level. It also showed a relatively inelastic relationship between human capital development and output level	
88	Ijeoma (2014)	The cost of conflict on economic development in Nigeria. Variable used: Conflict and GDP.	Field survey Kruskal-walls test factor analysis and bar chart	Discovered that conflict had significant impact on development in Nigeria	Recommended that government should improve on infrastructure development to enthrone peace
89	Iyoboyi (2014)	The impact of conflict on economic growth 1981-2011.Variables considered: Conflict poverty, unemployment & GDP	Case study and econometric analysis	Found that conflict significantly led to poverty, unemployment and instability in Nigeria	Recommended that while economic growth is accorded priority, policies that promote equity, foster mass

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
					employment distortion and reduces poverty should be vigorously implemented
90	Adigwe, Ezeagba & Udeh (2015)	The effect of foreign direct investment on economic growth in Nigeria 2008-2015. Variable used FDI, exchange rate and GDP	Pearson co-relation analysis with the aid of SPSS version 20.0.	The result showed that a significant relation existed between FDI, exchange rate and GDP.	They recommended among others that there is need for government to be formulating investment policies that will be favourable to local investors
91	Jaiyeoba (2015)	The relationship between investment in education and health on Nigeria GDP 1982-2011. Variables used education expenditure, health, gross fixed capital formation and GDP.	Trend analysis, Johansen co-integration and OLS	The result showed that there exist a long run relationship between government expenditure : education & health on GDP	He recommended that in order to accelerate growth and liberate Nigeria from the vicious circle of overty, the government should put in place policies geared toward massive investment in education and health.
92	Ofolaranmi(2015)	The impact of capital flight and	Co relational research design	Discovered that capital flight	Recommended that

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		unemployment in Nigeria. Variable used: Capital flight and unemployment.	unit root, test econometric analysis	contributed significantly to unemployment in Nigeria.	government should improve entrepreneurial development in Nigeria to curb capital flight in Nigeria
93	Onwachuk-wu (2015	Impact of unemployment on economic growth in Nigeria from 1985-2010	OLS and Augmented Dickey Fuller test techniques	Found that unemployment does not have significant impact on the economic growth of Nigeria .While inflation has significant impact on the economic growth of Nigeria.	Recommended that the government should help to accelerate the economic growth in the country
94	Eze (2015)	The impact of crude oil export on Nigeria's economic growth .Variable used: oil export and GDP.	Quasi experimental research design, ECM and econometric analysis	Found that oil export had significant impact on Nigeria's economic growth	Recommended that policies to promote oil and non-oil promotion strategies that are enhance agriculture and manufacturing sector driven economy should be vigorously pursued
95	Odalonu (2015)	The upsurge of oil thief and illegal bunkery in the Niger	Co relational research design unit root ADF	Found that oil thieves illegal banking had	The government and all stock

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
		Delta region of Nigeria 2009-2014.Variable considered: illegal bunker and GDP.	and OLS regression analysis	significant negative impact on Nigeria's economic growth	holders should take concerted effort to put an end corruption and oil related crime in Nigeria
96	Owolabi (2015)	The impact of infrastructure development and economic growth in Nigeria 1983-2013. Variable considered: Infrastructural development and GDP.	Co relational research design ECM causality econometric analysis	Discovered that infrastructural development had significant impact on Nigeria's economic growth	Recommended that government should improve on infrastructure development to enhance human capital development in Nigeria
97	Owolabi & Ayenakin (2015)	Impact of insecurity on economic growth in Nigeria 2003-2012. Variables tested: Military expenditure and GDP	Field survey and t-test	They discovered that insecurity negatively affected economic growth in Nigeria	Strengthening security in the country to enhance economic growth.
98	Adenike & Sheriffdeen (2017)	Impact of human capital variables and economic growth in Nigeria. from 1986-2014. Variables used investment in education, health expenditure, RGDP and gross capital formation.	Modified OLS techniques	They discovered that a significant relationship existed between the interactive effect of the human capital component on Nigeria GDP	
99	Imoisi, Amaba &	The impact of unemployment rate	Secondary annual time	The study established that	The study recommended

S/N	AUTHOR/S	TITLE/PERIOD COVERED & VARIABLES CONSIDERED.	METHODOLOGY/ STATISTICAL TOOLS USED	FINDINGS	RECOMMENDATIONS
	Okon (2017)	and economic growth in Nigeria 1980-2016. Variables used unemployment, population labour force, minimum wage and GDP.	series data and ordinary least square multiple regression analysis	unemployment, population and labour force had significant impact on economic growth while minimum wage does not had significant impact on economic growth.	that government should ensure job creation especially in the real sectors, deregulate the labour market and give subsidies to the private sector employment.
100	Oluseun (2017)	Impact of labour employment on cooperate Debt policies of Nigeria quoted companies 1990-2014.Variables: employment & cooperate Debt	Panel data least Square Regression Techniques	It was discovered that unemployment exact downward pressure on companies' borrowing	Promotion of cooperate policies that strengthen conservative debt usage in industries where human capital risk are concentrated

Source: Author's Summary of Empirical Studies

2.4 Summary of Literature The various literature reviewed point to the fact that cost of conflict has significant effect on economic growth of a particular country differently.

Yakovlev (2007) investigated the growth effects of military expenditure, arms trade and their interaction in Barro growth models for 28 countries during 1965-2000.Using fixed effects, random effects and GMM estimators. Military expenditure on arms trade and military expenditure on GDP were the variables tested. The panel

estimating results indicate that higher military expenditure and net arms exports decrease economic growth. However, when a country is in net arms exporter, higher military expenditure is less damaging to economic growth.

Sefa and Siew (2014) examined the effect of military expenditure on economic growth using a sample of 243 Meta observations drawn from 42 countries. Meta-regression analysis method was used. The effects of military expenditure on GDP were the variables tested. The result showed that there exist positive effects of military expenditure on growth for developed countries but a negative effect for the developing countries.

Ertugrul (2008) investigated the relationship between defense expenditure and economic growth for Turkey from 1969-2004 using econometric model. The variables examine were impact of defense expenditure on GDP. The result revealed a negative linkage between military expenditure and economic growth of Turkey.

Selvarathinam (2008) investigated the impact of peace on economic growth in developing countries. Pooled data from developing countries during 2000-2004 periods and ordinary least square econometric techniques were used for the analysis. The variables considered were the impact of peace on GDP. He discovered that peace contributes positively to economic growth. It was recommended that peace as determinant of economic growth should be incorporated in peace theory for enhancing growth.

Benmelechi, Berrebi and Klor (2010) examined the economic costs of harboring suicide terror attacks; using data covering 2006-2010.Effect of cost of

conflict on unemployment and wages were the variables tested. Ordinary Least Square regression analysis was used for data analysis and discovered that terrorist attack causes an increase of 5.7 unemployment and wages of Palestinian labour force.

Serneels and Marijke (2012) used cross-sectional research design and multiply regression analysis to investigate the relationship between conflict and economic development in 56 developing and developed countries. The relationship between conflict and GDP were examined. One finding that stands out from these studies is the strong negative association between conflict and economic development. However, while conflict may lead to poor economic performance in developing economy, the reverse relationship is seen in the developed economics.

Stergios, Redrigo and Miller (2015) discovered that cost of conflict has significant and negative effects both in the short and long run. Similarly, Aziz and Asadullah (2013) showed that cost of security had negative effect on economic growth in post war era. While Sefa and Siew (2014) studied revealed that security expenditure affects the developed countries positively where as in developing countries, its effect was negative.

Adebakin (2012) investigated the security challenges in Nigeria and its impact on economic development. Data were collected from CBN statistical Bulletin. Descriptive and inferential statistic was used for data analysis. The effects of expenditure on security on Nigeria's GDP were the variables examined. It was found that Nigeria's expenditure on security is rising faster than spending on key sectors of the economy and has negative effect on sustainable economic development in Nigeria.

He recommended a tripartite collaboration between the Government, citizen and policy maker to curb insecurity in Nigeria.

Oghoghome (2012) investigated the impact of cost of peace keeping in the Niger-Delta region and the economic development of Nigeria. A longitudinal survey designed for the period 1999-2008 was adopted. The variables tested were impact of cost of conflict on infrastructure and GDP of Nigeria. It was discovered that cost of peace keeping in the Niger-Delta region in Nigeria has a negative significant impact on the economic development of Nigeria. It was recommended that government and multinational Oil companies should address the infrastructure decay and exploitation of the people of the Niger-Delta region to enthrone peace for economic development.

Akwara, Akwara, Enuchela, Adekunle and Udaw (2013) examined the relationship between insecurity and economic growth in Nigeria using descriptive analysis. The relationship between insecurity and poverty, unemployment rate in Nigeria were the variables tested. They discovered that insecurity had significant effect on unemployment, poverty in Nigeria.

Arong (2013) investigated the effect of cost of militancy and unrest or peace accounting on the productivity of private organizations in Nigeria. A longitudinal survey designed for the period 2003-2012 was adopted. Effects of cost of militancy on productivity of private organizations in Nigeria were variables tested. They discovered that cost of peace-keeping in the Niger-Delta regions had significant positive impact on the productivity of private organizations in Nigeria. It was recommended that

government as well as the multi-national Oil companies should pay special attention to the Niger-Delta questions.

Anforum (2013) examined the link between the defense outlays and economic growth of Nigeria. Secondary data was collected and two stage least square method of system estimation was employed. The impact of defense expenditure on GDP as examined. It was discovered that defense expenditure had a significant positive impact on economic growth nexus of Nigeria. He recommended the need for innovations in defense research and development to add to economic growth in Nigeria.

Oriavwote and Eshenake (2013) studied the impact of security spending and economic growth of Nigeria. Data covers from 1980-2010 periods were used. ECM model was used for the data analysis. The impacts of security spending on GDP were the variables tested. It was discovered that expenditure on defense had a negative impact on the level of economic growth in Nigeria It was recommended that government should reassess the content of her defense expenditure and make it more transparent and growth oriented.

Ijeoma (2014) examines the impact of cost of conflict on economic development in Nigeria. Data was collected using field survey. 200 questionnaires were randomly administered to Awka South LGA of Anambra state. kruskal-wallis test factor analysis and bar chart were used to analyzed the collected data. The variables tested were impact of cost of conflict on infrastructural, welfare and GDP of Nigeria. It was discovered that conflict had significant impact on economic

development in Nigeria and recommended that government should improve on infrastructural development to enthrone peace.

This study therefore, employed the Ted Robert Gurr relative deprivation theory and to evaluate the effect of Foreign direct investment, capital expenditure, Military expenditure, unemployment rate and investment in human capital proxy to investment in Education and health on GDP .

2.5 Gap in Literature

From the fore going literature expose, it is obvious that a number of studies have been carried out on cost of conflicts and its impacts on economic growth, especially studies outside Nigeria whose environment may not be convenience with the Nigeria's environment.

This study therefore, adopted the study of Beriwan (2015); extended the scope from 2000-2018, includes two other variables (Effect of capital expenditure and investment in human capital on Nigeria's GDP).Also, it considered the pre and post effect of the cost of conflict from 2000-2018 as well as modified the existing cost of conflict model previously used.

CHAPTER THREE

METHODOLOGY

3.1 Research Design

The Ex- post facto research design was employed in this study because the event has taken place in the past years and our data cannot be subjected to further manipulation.

This study is an empirical and analytical research study of aggregate level using secondary data to evaluate the effect of cost of conflict on the economy of Nigeria. Costs of conflict variables of both direct and indirect costs were arrived at following intensive literature search. Costs of conflict variables were used in this study as predictor variables (independent variables) to model economic growth indices (dependent variable) in Nigeria in an Ordinary Least Squares (OLS) Regression framework. The study covered the period (2000 – 2018); a total of 19 years.

3.2 Population and Sample Size of the Study

The population of a study is that group about whom we want to be able to draw conclusion (Agbonifoh and Yomere, 1999). The population of this study consists of the Nigeria's economy as a whole, with a focus on years spanning; following the year the endemic Boko- Haram started operating in the country in 2009. The sample size was taken from the period of 2000 – 2018 (19 years). See appendix 11

3.3 Sources of Data

The data for this study were obtained from the publications of the Central Bank of Nigeria (CBN) Statistical Bulletin for various years, National Bureau of statistics and World Bank Indicators (2018).

3.4 Method of Data Analysis

In this study, the Ordinary Least Squares (OLS) estimation technique was employed for the regression analysis and chow -test statistical tool with the aid of SPSS version 20.0 to test the pre and post of the structural break of the conflict with the base year 2009. The pre-2000-2008; a total of 9 years and post-2010-2018; another 9 years period. All hypotheses were tested at 0.05 level of significance in a multiple regression framework, based on the respective variable (dependent and independent variables). The dependent variables of interest which were economic indices used in gauging Nigeria's economy was Gross Domestic Product (GDP), while the independent variables(Cost of conflict) represented by Foreign Direct Investment (FDI), Capital Expenditure (CAPX), military expenditure (MEXP), Unemployment Rate (UNR) and Investment on Human Capital (INVHC) which was adopted from the previous study; Beriwan (2015).

3.5 Model Specification

The specified models were developed using the multiple regression approach and were estimated for the dependent variable. The working models for the study were specified in line with the specific objectives and hypotheses of the study as indicated below:

$$\mathbf{B_O + B_1\ B_2FDI\ \xi_t\ + B_3CAPX\ \xi_t\ + B_4MEXP\ \xi_t + B_5UNMR\ \xi_t + B_6INVHC\ \mathit{f}\ RGDP_t}$$

Where:

GDP	=	Gross Domestic Product
FDI	=	Foreign Direct Investment
CAPX	=	Expenditure on Infrastructure Development (Proxy – Government Capital Expenditure)

MEXP = Military Expenditure

UNR = Unemployment Rate

INVHC = Investment on Human Capital

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4, \beta_5 \beta_6,$ are parameters to be estimated, while ξ_t is the stochastic error term. This model was modified from the previous work of cost of conflict model of Beriwan (2015) $\mathbf{CONF = B_O + B_1RGDP_t}$ to align with the multiple regression approach.

3.6 Chow test

Chow test structural stability version of the ordinary least square method of econometric regression was used to test the formulated hypotheses. Chow test is a special kind of F-test propounded by Chow and is based on the idea that a series of data can contain a structural break. In this case we are interested in finding out whether the series of data in our variables had a structural break following the peaks of conflicts in Nigeria.

The method uses F-test to determine whether the perceived structural change has a measurable effect on the study periods and the aim was to determine whether a single regression covering the periods before and after the conflict in 2009 is more efficient than two separate regression involving splitting of data into two samples, one representing the period before 2009 and the other for the period after 2009.

3.7 Chow Specification

a) A single or pooled regression to fit the whole series of data (before and after conflicts)

$Y_1 = a_i + b_i X_1 + u_i$

Where Y_1 = Gross Domestic product (GDP)

X_1 = Foreign Direct Investment (FDI), Capital Expenditure (CAPX), military expenditure (MEXP), Unemployment Rate (UNR), and Investment on Human Capital (INVHC).

Regression for the period before 2009 of conflicts in Nigeria

$$Y_2 = a_i + b_i X_2 + u_i$$

Where Y_2 = Gross Domestic product (GDP)

X_2 = Foreign Direct Investment (FDI), Capital Expenditure (CAPX), military expenditure (MEXP), Unemployment Rate (UNR), and Investment in Human Capital (INVHC).

b) Regression for the periods after the 2009 of conflicts in Nigeria;

$$Y_3 = a_i + b_i X_3 + u_i$$

Where Y_3= Gross Domestic product (GDP)

X_3 = Foreign Direct Investment (FDI), Capital Expenditure (CAPX), military expenditure (MEXP), Unemployment Rate (UNR), and Investment on Human Capital (INVHC).

Chow test statistics is obtained as follows;

$$F = \frac{RSS_1 - (RSS_2 + RSS_3) / k}{RSS_2 + RSS_3 / n-2k}$$

Where: RSS = Sum of Square residual

k = Total number of variable included

n = Total sample size

3.8 Decision Rule:

If the Chow test statistics is greater than the tabulated F-value, then the null hypothesis that there is no structural break of change (that is there is no significant change) is rejected and vice versa. However, a significant relationship is established where the p-value from the pooled regression results (before and after) is less than the level of significance (p-value<0.05)

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation

This study sought to ascertain the effect of cost of conflict on Nigeria's economy. In order to achieve this, data of cost of conflict variables-Foreign Direct Investment (FDI, capital expenditure, military expenditure, unemployment rate, investment in human capital and gross domestic product(GDP) were obtained from the Central Bank of Nigeria Statistical Bulletin, Bureau de exchange and World Bank Indicators, 2018. The data for the study was presented in aggregates which were relied upon for the purpose of analysis in this study. (See Appendix II) The data so obtained were analyzed using both descriptive and inferential statistics and the analysis was performed via *SPSS* version 20.0. The outcome of data analyses was presented in order of precedence. First, we reported the descriptive statistics results; second, serial correlation analysis; third, Ramsey regression specification test. The test of hypotheses and discussion of results concluded this chapter**.**

4.2 Descriptive Statistics Results

Table 4.1: Descriptive Statistics of all variables

	N	Minimum	Maximum	Mean	Std. Deviation
GDP	18	4679.21	89043.62	36217.0267	30393.05342
FDI	18	.00	50.23	27.1911	15.94192
CAPX	18	239.45	1152.80	653.2517	288.94330
MEXP	18	37490000000.00	510000000000.00	235281722222.2222	155659198711.50095
UNR	18	4.00	16.50	7.5333	3.30543
INVHC	18	40306.81	890453.09	271610.8939	248981.57073
Valid N (listwise)	18				

Source: Researcher's Computation with data extracted from appendix11 using SPSS 20.0(2018)

Table 4.1 above reports the descriptive statistics of the independent variables [(Costs of Conflict variables : Foreign Direct Investment: (FDI), Capital Expenditure (CAPX), Military Expenditure (MEXP), Unemployment rate (UNR), Investment on Human Capital (INVHC) and dependent variables (Gross Domestic Product (GDP). The descriptive result showed that unemployment rate recorded the lowest mean (7.533) and standard deviation (.3.305). Min. value (4.00) and max.(16.50), followed by FDI (27.191), CAPX (653.25), GDP (36217.02) and INVHC (271610.89) while MEXP recorded the highest mean (235281722222.2). The highest standard deviation was also recorded by MEXP (155659198711.5).

The minimum and maximum values of GDP were 4679.21and 89043.62 which occurred in 2000 and 2017 respectively. The minimum and maximum values for FDI were (.00 and 50.23) which occurred in 2000 and 2017 respectively; CAPX (239.45 and 1152.80) in 2000 and 2017 respectively; MEXP (37.5M and 510M) in 2000 and

2017 respectively, UNR (4.00 and 16.50) in 2000 and 2017 respectively; and INVHC (40306.81 and 890435.09) in 2000 and 2017 respectively. The implication is that Nigeria spent more resources on cost of peacekeeping (MEXP) and also on internal security (intsecx) in recent times.

4.3 Correlation Analysis

In examining the association among the variables, we employed the Pearson correlation coefficient (correlation matrix) and the results are presented in table 4. 2 (see appendix 1 for a detail result).

Table 4.2: Correlation Matrix Analysis

	GDP	FDI	CAPX	MEXP	UNMR	INVIIC
GDP	**0.680**	**1.000**				
FDI	**0.478**	**1.000**				
CAPX	**0.928**	**0.529**	**1.000**			
MEXP	**0.929**	**0.746**	**0.628**	**1.000**		
UNR	**0.336**	**0.598**	**0.194**	**0.817**	**1.000**	
INVIIC	**0.848**	**0.764**	**0.318**	**0.868**	**0.872**	**1.000**

Source: Researcher's computation with data extracted in appendix 11 (2018)

The use of correlation matrix in most regression analysis is to check for multi-colinearity and to explore the association between each explanatory variable (FDI, CAPX, MEXP, UNR and INVHC) and the dependent variable (GDP). Table 4. 2 focused the correlation between economic growth as GDP and the independent variables (FDI, CAPX, MEXP, UNR and INVHC).

Finding from the correlation matrix table above shows that all our independent variables, (FDI=.680, CAPX=.578, MEXP=929, UNR=.736 and INVHC=.848) were observed to be positively and highly associated with economic growth. In checking for multi-colinearity, we noticed that no two explanatory variables were perfectly

correlated. This means that there was no problem of multi-colinearity between the explanatory variables. Multi-colinearity may result in wrong signs or implausible magnitudes in the estimated model coefficients, and the bias of the standard errors of the coefficients

4.4:Ramsey Regression Specification Test

Table 4.3: Ramsey Regression Specification Test Result

Ramsey RESET test using powers of the fitted values of MEXP.		
Ho:	**model has no omitted variables**	
F (3,17)	**=**	**30.74**
Prob> F	**=**	**0.0000**

The result of the Ramsey Regression Specification Test indicated a prob. Of 0.0000 which is less than the critical value of 0.05; showing that the model for the study was well specified.

4.5 Test of Hypotheses

Hypothesis One

Ho: Foreign direct investment has no significant effect on Nigeria's Gross Domestic Product (GDP) after the peak of conflict.

Table 4.4: Separate regression (before Conflict FDI) 2000-2008

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 9 YEAR

Included Observation: 18

VARIABLE	Coefficient	Std.Error	t-Statistic	Prob
GDP	-13624.590	1033.862	0.016	0.988
FDI	32.571	56.027	11.949	0.000
R^2	.953	Mean dependent Var		245.6
Adjusted R^2	.947	S.D Dependent Var		25.637
RSS_1	**11671846.354**	Durbin-Watson Statistics		1.991
F	142.789			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

Table 4.5: Separate regression (After Conflict on FDI) 2010-2018

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 9 YEARS

Included Observation: 18

VARIABLE	Coefficient	Std.Error	t-Statistic	Prob
GDP	85.381	14.630	-0.501	0.631
FDI	.049	.017	1.763	0.121
R^2	0.308	Mean dependent Var		273.6
Adjusted R^2	0.209	S.D Dependent Var		45.092
RSS_2	**2930670621.519**	Durbin-Watson Statistics		2.63
F	3.110			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

Table 4.6: Pooled regression (before and after Conflict for FDI)

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 18 YEAR

Included Observation: 18

VARIABLE	Coefficient	Std.Error	t-Statistic	Prob
GDP	-16983.567	8320.536	-2.041	0.038
FDI	1828.409	257.423	7.103	0.000
R^2	0.871	Mean dependent Var		259.6
Adjusted R^2	0.759	S.D Dependent Var		37.598
RSS_3	**3781191001.789**	Durbin-Watson Statistics		0.646
F	50.449			
d.f	16			
N	18			

Source: Regression Data Analysis (2018)

To compute the Chow Test using the formula thus;

$$F_{cal} = \frac{RSS_1 - (RSS_2 + RSS_3) / k}{RSS_2 + RSS_3 / n-2k}$$

( )- t-value, RSS – Residual Sum of Squares, ** - ($p<0.05$) – significant at $\alpha = 0.05$

The tables above shows that;

Sum of Square residual for periods before and after the conflict =3781191001.789

Sum of Square residual for periods before the conflict =11671846.354

Sum of Square residual for periods after the conflict =2930670621.519

Following the *F* distribution with (n -2k) df in the numerator and the denominator respectively, in this study, *k* = 2, since there are only two parameters in each sub-regression and n =n-2k = 16 - 7 = 9

Therefore,

$$F_{cal} = \frac{RSS_1 - (RSS_2 + RSS_3) / k}{RSS_2 + RSS_3 / n-2k}$$

$$= \frac{(11671846.354 - (2930670621.519 + 3781191001.789) / 7}{2930670621.519 + 3781191001.789 / 18-2 -7}$$

$$= \frac{11671846.354 - 6711861623.3 / 7}{6711861623.3 / 9}$$

$$= \frac{6700189777}{745762402.6}$$

$$= 8.984$$

$F_{tab} = F_{\alpha},[k,(n-2_k) = F0.05,[7,16] = 5.143$

From the Chow Test computed results above, at α=0.05, F_{cal}= 8.984 > F_{tab}= 5.143 at (7, 16) degree of freedom. The null hypothesis which states that foreign direct investment (FDI) has no significant effect on Nigeria's Gross Domestic Product (GDP) was rejected and the alternative hypothesis (H_1) accepted. We therefore concluded that there was a structural change on Foreign Direct Investment (FDI) after the conflict in the country at 0.05level of significance. Furthermore, the P-value was 0.038, showing that P<0.05; and implied that there was a positive relationship at 0.05 level of significance and indicating that there was 4% probability that the actual value of the parameter could be zero; this implies that the term of the regression equation containing the parameter cannot be eliminated without significantly affecting the accuracy of the regression. Furthermore, the Durbin-Watson value of 0.646 indicates strong autocorrelation, meaning that since the conflict in the country at 0.05 level of significance there was a structural change in the FDI.

Decision: The result of the chow test computed invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that FDI has significant effect on Nigeria's GDP as evident in chow**,** F_{cal}= 8.984 > F_{tab}= 5.143 and in table 4.6 P < 0.05.We therefore concluded that foreign direct investment has significant effect and positive relationship with Nigeria's Gross Domestic Product (GDP) after the peak of conflict.

Hypothesis Two

Ho: Capital expenditure has no significant effect on Nigerian Gross Domestic Product (GDP).

Table 4.7: Separate regression (before Conflict for CAPX) 2000-2008

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 9YEAR

Included Observation: 18

VARIABLE	Coefficient	Std.Error	t-Statistic	Prob
GDP	1035.227	4137.777	0.250	0.810
CAPX	23.439	8.925	2.626	0.034
R^2	0.496	Mean dependent Var		11249.0133
Adjusted R^2	.424	S.D Dependent Var		3936.35503
RSS_1	**125799932.274**	Durbin-Watson Statistics		1.068
F	6.898			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

Table 4.8: Separate regression (After Conflict for CAPX) 2010-2018

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 9 YEARS

Included Observation: 18

VARIABLE	Coefficient	Std.Error	t-Statistic	Prob
GDP	103911.851	33657.310	3.081	0.018
CAPX	-49.070	37.719	-0.301	0.234
R^2	0.195	Mean dependent Var		61185.0400
Adjusted R^2	0.080	S.D Dependent Var		10149.27007
RSS_2	**3408489893.519**	Durbin-Watson Statistics		.477
F	1.692			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

Table 4.9: Pooled regression (before and after Conflict for CAPX)

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 16 YEAR

Included Observation: 18

VARIABLE	Coefficient	Std.Error	t-Statistic	Prob
GDP	-3475.805	15262.969	-0.228	0.823
CAPX	60.762	21.465	2.831	0.012
R^2	0.334	Mean dependent Var		36217.0267
Adjusted R^2	0.292	S.D Dependent Var		17556.75242
RSS_3	**10463468392.852**	Durbin-Watson Statistics		0.397
F	8.013			
d.f	16			
N	18			

Source: Regression Data Analysis (2018)

To compute the Chow Test using the formula thus;

$$F_{cal} = \frac{RSS_1 - (RSS_2 + RSS_3) / k}{RSS_2 + RSS_3 / n-2k}$$

( )- t-value, RSS – Residual Sum of Squares, ** - ($p<0.05$) – significant at $\alpha = 0.05$

The tables above shows that;

Sum of Square residual for periods before and after the conflict =10463468392.852

Sum of Square residual for periods before the conflict =125799932.274

Sum of Square residual for periods after the conflict =3408489893.519

Following the *F* distribution with $(n-2k)$ df in the numerator and the denominator respectively, in this study, $k = 2$, since there are only two parameters in each sub-regression and $n = 16 - 7 = 9$

Therefore,

$$F_{cal} = \frac{RSS_1 - (RSS_2 + RSS_3) / k}{RSS_2 + RSS_3 / n-2k}$$

$$= \frac{3408489893.519 - (10463468392.852 + 125799932.274) / 7}{10463468392.852 + 125799932.274/9}$$

$$= \frac{3408489893.519 - 10589268325.126/ 7}{10589268325.126/9}$$

$$= \frac{7180778431.4}{1176585369.4}$$

$$= 6.103$$

$F_{tab} = F_{\alpha},[k,(n-2k) = F0.05,[7,16] = 5.143$

From the Chow Test computed results above, at $\alpha=0.05$, $F_{cal}= 6.103 > F_{tab}= 5.143$ at (7, 16) degree of freedom. The null hypothesis which states that Capital expenditure has no significant effect on Nigerian Gross Domestic Product (GDP) was rejected and the alternative hypothesis (H_1) was accepted. We therefore concluded that there was a structural change on CAPX after the conflict at 0.05 level of significance. Furthermore, P-value of 0.823, showing that P>0.05.The result showed a negative relationship. This indicates that there was 82% probability that the actual value of the parameter could be zero; which implies that the term of the regression equation containing the parameter cannot be eliminated without significantly affecting the

accuracy of the regression; while Durbin-Watson value is 0.397 indicating a low autocorrelation. This implies that capital expenditure has significant effect and negative relationship with Nigerian Gross Domestic Product (GDP) after the peak of conflict.

Decision: The result of the chow test computed invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that CAPX has significant effect on Nigeria's GDP as evident in chow**,** F_{cal}= 6.103 > F_{tab}= 5.143 and in table 4.9 P>0.05. We therefore concluded that Capital expenditure (CAPX) has significant effect and negative relationship with Nigeria's Gross Domestic Product (GDP) after the peak of conflict.

Hypothesis Three

Ho: Military expenditure has no significant effect on Nigerian Gross Domestic Product (GDP) after the peak of conflict.

Table 4.10: Separate regression (before Conflict for MEXP) 2000-2008

Dependent Variable: GDP
Method: Ordinary Least Square (OLS)
Sample: 9 YEAR
Included Observation: 18

VARIABLE	Coefficient	Std.Error	t-Statistic	Prob
GDP	510.510	2619.291	.195	.851
MEXP	1.108E-007	.000	4.449	.003
R^2	0.739	Mean dependent Var		11249.0133
Adjusted R^2	.701	S.D Dependent Var		4802.53585
RSS_1	**652442524.966**	Durbin-Watson Statistics		1.274
F	19.796			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

Table 4.11: Separate regression (After Conflict for MEXP) 2010-2018

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 9YEARS

Included Observation: 18

VARIABLE	Coefficient	Std. Error	t-Statistic	Prob
GDP	-16349.101	28098.885	-.582	.579
MEXP	2.075E-007	.000	2.816	.026
R^2	0.531	Mean dependent Var		61185.04
Adjusted R^2	0.464	S.D Dependent Var		16763.57
RSS_2	**1984413376.618**	Durbin-Watson Statistics		.865
F	7.930			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

Table 4.12: Pooled regression (before and after Conflict for MEXP)

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 16 YEAR

Included Observation: 18

VARIABLE	Coefficient	Std.Error	t-Statistic	Prob
GDP	-6445.69	5064.38	-1.273	.021
MEXP	1.813E-01	.000	10.015	.000
R^2	0.862	Mean dependent Var		36217.03
Adjusted R^2	0.854	S.D Dependent Var		28225.08
RSS_2	**2160407009.214**	Durbin-Watson Statistics		.847
F	100.0301			
N	18			

Source: Regression Data Analysis (2018)

To compute the Chow Test using the formula thus;

$$F_{cal} = \frac{RSS_1 - (RSS_2 + RSS_3) / k}{RSS_2 + RSS_3 / n-2k}$$

( )- t-value, RSS – Residual Sum of Squares, ** - ($p<0.05$) – significant at $\alpha = 0.05$

The tables above shows that;

Sum of Square residual for periods before and after the conflict =2160407009.214

Sum of Square residual for periods before the conflict =65244254.966

Sum of Square residual for periods after the conflict =1984413376.618

Following the *F* distribution with (n -2k) df in the numerator and the denominator respectively, in this study, *k* = 2, since there are only two parameters in each sub-regression and n =18 - 7 = 9

Therefore,

$$F_{cal} = \frac{RSS_1 - (RSS_2 + RSS_3) / k}{RSS_2 + RSS_3 / n-2k}$$

$$\frac{65244254.966 - (1984413376.618 + 2160407009.214) / 7}{4144820385.832/9}$$

$$= \frac{65244254.966 - 4144820385.832 / 7}{460535598.42}$$

$$= \frac{4079576130.8}{460535598.42}$$

$$= \underline{8.858}$$

$F_{tab} = F_{\alpha},[k,(n-2k) = F0.05,[7,16] = 5.143$

From the results of Chow Test computed above, at α=0.05, F_{cal}= 8.858 > F_{tab}= 5.143 at (7, 16) degree of freedom. The null hypothesis which states that Military expenditure has no significant effect on Nigerian Gross Domestic Product (GDP) was rejected and the alternative hypothesis (H_1) was accepted. We therefore concluded that there is a structural change on MEXP after the conflict at 0.05 level of significance. Furthermore, P-value of 0.021, showed that P<0.05. The result indicates a positive relationship that there was 2% probability that the actual value of the parameter could be zero; this implies that the term of the regression equation containing the parameter cannot be eliminated without significantly affecting the accuracy of the regression. Furthermore, the Durbin-Watson value was 0.847 indicating strong autocorrelation. This implies that military expenditure has significant effect and positive relationship with Nigerian Gross Domestic Product (GDP) after the peak of conflict.

Decision: The result of the chow test computed invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that MEXP has significant effect on Nigeria's GDP as evident in chow**,** F_{cal}= 8.858 > F_{tab}= 5.143 and in table 4.12 P<0.05. We therefore concluded that Military expenditure (MEXP) has significant effect and positive relationship with Nigeria's Gross Domestic Product (GDP) after the peak of conflict.

Hypothesis Four

H_O: Unemployment rate has no significant effect on Nigerian Gross Domestic Product (GDP) after the peak of conflict.

Table 4.13: Separate regression (before Conflict for UNR) 2000-2008

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 9YEAR

Included Observation: 18

VARIABLE	Coefficient	Std.Error	t-Statistic	Prob
GDP	-8992.81	7605.95	-1.182	.276
UNR	3643.53	1345.96	2.707	.030
R^2	0.511	Mean dependent Var		11249.01
Adjusted R^2	.442	S.D Dependent Var		3995.90
RSS_1	**122021250.789**	Durbin-Watson Statistics		.770
F	7.328			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

Table 4.14: Separate regression (After Conflict for UNR) 2010-2018

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 9YEARS

Included Observation: 18

VARIABLE	Coefficient	Std. Error	t-Statistic	Prob
GDP	31180.411	20959.669	1.488	.180
UNR	3154.692	2073.217	1.522	.172
R^2	0.249	Mean dependent Var		61185.04
Adjusted R^2	0.141	S.D Dependent Var		11467.47
RSS_2	**3180527698.642**	Durbin-Watson Statistics		.705
F	2.315			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

Table 4.15: Pooled regression (before and after Conflict for UNR)

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 16YEAR

Included Observation: 18

VARIABLE	Coefficient	Std. Error	t-Statistic	Prob
GDP	-14781.18	12739.63	-1.160	.023
UNR	6769.673	1555.582	4.352	.000
R^2	0.542	Mean dependent Var		36217.03
Adjusted R^2	.513	S.D Dependent Var		22376.70
RSS_1	**7191359602.845**	Durbin-Watson Statistics		.690
F	18.939			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

To compute the Chow Test using the formula thus;

$$F_{cal} = \frac{RSS_1 - (RSS_2 + RSS_3) / k}{RSS_2 + RSS_3 / n-2k}$$

( )- t-value, RSS – Residual Sum of Squares, ** - ($p<0.05$) – significant at $\alpha = 0.05$

The tables above shows that;

Sum of Square residual for periods before and after the conflict =7191359602.845

Sum of Square residual for periods before the conflict =122021250.789

Sum of Square residual for periods after the conflict =3180527698.642

Following the *F* distribution with $(n - 2k)$ df in the numerator and the denominator respectively, in this study, $k = 2$, since there are only two parameters in each sub-regression and $n = n - 2k = 18 - 7 = 9$

Therefore,

$$F_{cal} = \frac{RSS_1 - (RSS_2 + RSS_3) / k}{RSS_2 + RSS_3 / n-2k}$$

$$= \frac{122021250.789_1 - (3180527698.642_2 + 7191359602.845_3) / 7}{10371887301.487/9}$$

$$= \frac{122021250.789 - 10371887301.487/7}{152431922}$$

$$= \frac{1464266579}{152431922}$$

$$= 9.606$$

$$F_{tab} = F_{\alpha},[k,(n-2_k)) = F0.05,[7,16] = 5.143$$

From the results of Chow Test computed above, at $\alpha=0.05$, $F_{cal}= 9.606 > F_{tab}= 5.143$ at (7,16) degree of freedom. The null hypothesis that states that Unemployment rate has no significant effect on Nigerian Gross Domestic Product (GDP) was rejected and the alternative hypothesis (H_1) was accepted. We therefore concluded that there was a structural change on UNR after the conflict at 0.05 level of significance. Furthermore, P-value of 0.023 showed that $P<0.05$; meaning that the result show statistically effect and a positive relationship at .023. This indicates that there is 2% probability that the actual value of the parameter could be zero; this implies that the term of the regression

equation containing the parameter cannot be eliminated without significantly affecting the accuracy of the regression, while Durbin-Watson value is 0.690 indicating strong autocorrelation. This implies that since after the conflict at 0.05 level of significance there are changes in the unemployment rate. We therefore concluded that the unemployment rate has significant effect and positive relationship with Nigerian Gross Domestic Product (GDP) after the peak of conflict.

Decision: The result of the chow test computed invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that UNR has significant effect on Nigeria's GDP as evident in chow**,** F_{cal}= 9.606> F_{tab}= 5.143 and in table 4.15 P<0.05. We therefore concluded that unemployment rate (UNR) has significant effect and positive relationship with Nigeria's Gross Domestic Product (GDP) after the peak of conflict.

Hypothesis Five

H_O: Investment on human capital has no significant effect on Nigerian Gross Domestic Product (GDP) after the peak of conflict.

Table 4.16: Separate regression (before Conflict for INVHC) 2000-2008

Dependent Variable: GDP
Method: Ordinary Least Square (OLS)
Sample: 9YEAR
Included Observation: 18

VARIABLE	Coefficient	Std.Error	t-Statistic	Prob
GDP	983.86	2587.65	.380	.717
INVHC	.096	.025	3.783	.009
R^2	0.705	Mean dependent Var		10072.98
Adjusted R^2	.655	S.D Dependent Var		3888.06
RSS_1	**44359175.964**	Durbin-Watson Statistics		1.126
F	14.313			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

Table 4.17: Separate regression (After Conflict for INVHC) 2010-2018

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 9YEARS

Included Observation: 18

VARIABLE	Coefficient	Std. Error	t-Statistic	Prob
GDP	34811.53	12664.39	2.749	.029
INVHC	.060	.025	2.376	.049
R^2	0.367	Mean dependent Var		61185.04
Adjusted R^2	0.446	S.D Dependent Var		15369.07
RSS_2	**2342885154.765**	Durbin-Watson Statistics		.746
F	5.646			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

Table 4.18: Pooled regression (before and after Conflict for INVHC)

Dependent Variable: GDP

Method: Ordinary Least Square (OLS)

Sample: 16YEAR

Included Observation: 18

VARIABLE	Coefficient	Std. Error	t-Statistic	Prob
GDP	8105.400	5885.691	1.377	.187
INVHC	.103	.016	6.397	.000
R^2	0.719	Mean dependent Var		36217.03
Adjusted R^2	.701	S.D Dependent Var		25769.50
RSS_1	**4414399750.396**	Durbin-Watson Statistics		.596
F	40.918			
d.f	7			
N	18			

Source: Regression Data Analysis (2018)

To compute the Chow Test using the formula thus;

$$F_{cal} = \frac{RSS_1 - (RSS_2 + RSS_3) / k}{RSS_2 + RSS_3 / n-2k}$$

( )- t-value, RSS – Residual Sum of Squares, ** - ($p<0.05$) – significant at $\alpha = 0.05$

The tables above shows that;

Sum of Square residual for periods before and after the conflict =4414399750.396

Sum of Square residual for periods before the conflict =44359175.964

Sum of Square residual for periods after the conflict =2342885154.765

Following the *F* distribution with (n - 2k) df in the numerator and the denominator respectively, in this study, $k = 2$, since there are only two parameters in each sub-regression and $n = n - 2k = 18 - 7 = 9$

Therefore,

$$F_{cal} = \frac{RSS_1 - (RSS_2 + RSS_3) / k}{RSS_2 + RSS_3 / n-2k}$$

$$= \frac{44359175.964 - (2342885154.765 + 4414399750.396) / 7}{6757284905.161/9}$$

$$= \frac{44359175.964 - 6757284905.161/7}{750809433.9}$$

$$= \frac{6712925729.2}{750809433.9}$$

$$= \underline{8.941}$$

$F_{tab} = F_{\alpha},[k,(n-2_k) = F0.05,[7,16] = 5.143$

From the results o the Chow Test computed above, at α=0.05, F_{cal}= 8.941> F_{tab}= 5.143 at (7,16) degree of freedom. The null hypothesis which states that investment on human capital has no significant effect on Nigerian Gross Domestic Product (GDP) was rejected. We therefore accept the alternative hypothesis (H_1) and concluded that there is a structural change on INVHC after the conflict at 0.05 level of significance. Furthermore, P-value is 0.187, showing that P>0.05. the result showed significant effect but negative relationship at.187 which indicates that there was 19% probability that the actual value of the parameter could be zero; this implies that the term of the regression equation containing the parameter cannot be eliminated without significantly affecting the accuracy of the regression, while Durbin-Watson value is 0.596 indicating strong autocorrelation. This implies that since after conflict at 0.05 level of significance there are changes in the investment on human capital. We therefore conclude that the Investment on human capital has significant effect and a negative relationship with Nigeria's GDP.

Decision: The result of the chow test computed invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that INVHC has significant effect on Nigeria's GDP as evident in chow F_{cal}= 8.941> F_{tab}= 5.143 and in table 4.18, P >0.05. We therefore concluded that investment in

human capital (INVHC) has significant effect and negative relationship with Nigeria's Gross Domestic Product (GDP) after the peak of conflict.

4.6 Discussion of Results

The seeming growth in Nigeria's economy is alleged to have been weakened by various forms of violence and conflicts that have ravaged the growth process of the country. In Nigeria, violence and conflicts affect both political and social-economic growth by various forms of agitations, and are mostly motivated by ethnicity and religious driven factors (United States Institute of Peace, 2014). There is the belief that the problem of the share of *National Cake* (oil revenue), which has failed to meet the demands and yearnings of the citizenry, surfaced when Nigeria abandoned other revenue sources in favour of mono-economy with oil as the mainstay of the economy from the 1970s; and this has plugged the nation into conflict and crisis (Transparency International, 2010). Thus, conducting empirical evidence on the effect of cost of conflict on Nigeria's economy becomes pivotal.

In this study, time-series data were obtained from the publications of Central Bank of Nigeria (CBN), Bureau d exchange and World Bank Indicators during the period 2000 -2017. The relevant variables for which data were sourced include: Gross Domestic Product, foreign direct investment, Nigeria's capital expenditure, military expenditure, unemployment rate and investment in human capital. The data so obtained were analyzed using both descriptive and inferential statistics. This study has produced some insightful revelation based on the outcomes of the inferential and descriptive statistics.

First, the descriptive result showed that unemployment rate recorded the lowest mean (7.533) and standard deviation (.3.305). Min. value (4.00) and max.(16.50), followed by FDI (27.191), CAPX (653.25), GDP (36217.02) and INVHC (271610.89) while MEXP recorded the highest mean (235281722222.2). The highest standard deviation was also recorded by MEXP (155659198711.5). The minimum and maximum values of GDP were 4679.21and 89043.62 which occurred in 2000 and 2017 respectively. The minimum and maximum values for FDI were (.00 and 50.23) which occurred in 2000 and 2017 respectively; CAPX (239.45 and 1152.80) in 2000 and 2017 respectively; MEXP (37.5M and 510M) in 2000 and 2017 respectively, UNR (4.00 and 16.50) in 2000 and 2017 respectively; and INVHC (40306.81 and 890435.09) in 2000 and 2017 respectively. The implication is that Nigeria spent more resources on cost of peacekeeping (MEXP) and also on internal security in recent times.

Secondly, Finding from the correlation matrix table showed that all our independent variables, (FDI=.680, CAPX=.578, MEXP=929, UNR=.736 and INVHC=.848) were observed to be positively and highly associated with economic growth and in checking for multi-colinearity, we noticed that no two explanatory variables were perfectly correlated. This means that there is no problem of multi-colinearity between the explanatory variables.

Thirdly, the result of the Ramsey Regression Specification Test indicated a prob. of 0.0000 which is less than the critical value of 0.05; showing that the model for the study was well specified. The test of research hypotheses revealed some similar and contrary results to the extant literature.

***In hypothesis one*:** we discovered that the chow test computed invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that FDI has significant effect on Nigeria's GDP as evident in chow**,** F_{cal}= 8.984 > F_{tab}= 5.143 and P < 0.05.We therefore concluded that foreign direct investment has significant effect and positive relationship with Nigeria's Gross Domestic Product (GDP) after the peak of conflict. This finding therefore supports our aprori expectation and the findings of Adigwe, Ezeagba & Udeh (2015) that there exist a significant positive relationship between FDI on Nigeria's GDP and negates the view of Anupam (2014); who found that FDI had insignificant impact on GDP of Bricks countries studied.

In hypothesis Two: The result of the chow test computed invalidates the null hypothesis and invariably, led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that CAPX has significant effect on Nigeria's GDP as evident in chow**,** F_{cal}= 6.103 > F_{tab}= 5.143 and P>0.05. We therefore concluded that Capital expenditure (CAPX) has significant effect and negative relationship with Nigeria's Gross Domestic Product (GDP) after the peak of conflict. This finding therefore supports the view and finding of Mosoome (2010) who discovered that government expenditure influences economic growth of developing countries depending on the cost and negates our aprori expectation and the view of Rubaba et al (2015) that found that intense conflict negatively affect welfare despite improved infrastructures.

In hypothesis Three*:* The result of the chow test computed invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that MEXP has significant effect on Nigeria's GDP as evident in chow**,** F_{cal}= 8.858 > F_{tab}= 5.143 and P<0.05. We therefore concluded that Government expenditure on security (MEXP) has significant effect and positive relationship with Nigeria's Gross Domestic Product (GDP) after the peak of conflict. This finding therefore supports our aprori expectation and the findings of Dunne (2011), who discovered that military spending has significant and positive effect on GDP and incomes of developing countries and negates the findings of Aziz & Asadullah (2013), who discovered that military spending affects the developing countries negatively.

In hypothesis Four*:* The result of the chow test computed invalidates the null hypothesis and therefore led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that unemployment rate(UNR) has significant effect on Nigeria's GDP as evident in chow**,** F_{cal}= 9.606> F_{tab}= 5.143 and P<0.05. We therefore concluded that unemployment rate (UNR) has significant effect and positive relationship with Nigeria's Gross Domestic Product (GDP) after the peak of conflict. This finding therefore supports the finding and views of Beriwan (2015), who discovered that unemployment rate, led to decrease in GDP of middle East countries and negates our aprori expectation and the view of Umazhe (2011) that discovered unidirectional causality relationship between unemployment and GDP of Greece country.

In hypothesis five: The result of the chow test computed invalidates the null hypothesis. This led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that investment in human capital (INVHC) has significant effect on Nigeria's GDP as evident in chow F_{cal}= 8.941> F_{tab}= 5.143 and P >0.05. We therefore concluded that investment in human capital (INVHC) has significant effect and negative relationship with Nigeria's Gross Domestic Product (GDP) after the peak of conflict. This finding therefore supports the finding of Maya (2016), that investment in Educational enrolment of 76 developing countries studied significantly affected the GDPs but negates our aprori expectation and the view of Ogujiuba(2013),who discovered that investment in Education in Nigeria had insignificant effect on the growth process in the country

The findings above also support the tenets of Ted Robert Gurr Relative Deprivation Theory which this study was anchored on that deprivation and frustration leads man to rebel which in turn leads to decrease in economic growth.

CHAPTER FIVE

5.1 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

Based on the analysis of the data, the following findings emerged:

1. Foreign direct investment has significant effect and a positive relationship with Nigeria's Gross Domestic Product (GDP) after the peak of conflict; as evident from chow test computed $F_{cal}= 8.984 > F_{tab}= 5.143$ and $P < 0.05$
2. Capital expenditure has significant effect and a negative relationship with Nigerian Gross Domestic Product (GDP) after the peak of conflict; as evident in chow**,** $F_{cal}= 6.103 > F_{tab}= 5.143$ and $P>0.05$.
3. Military expenditure has significant effect and a negative relationship with Nigerian Gross Domestic Product (GDP) after the peak of conflict; as evident in chow**,** $F_{cal}= 8.858 > F_{tab}= 5.143$ and $P>0.05$.
4. Unemployment rate has significant effect and a positive relationship with Nigerian Gross Domestic Product (GDP) after the peak of conflict; as evident in chow**,** $F_{cal}= 9.606> F_{tab}= 5.143$ and $P<0.05$
5. Investment on human capital has significant effect and a negative relationship with Nigerian Gross Domestic Product (GDP) after the peak of conflict; as evident in chow $F_{cal}= 8.941> F_{tab}= 5.143$ and $P >0.05$.

5.2 Conclusion

Strategic Foresight group (2011) states that cost of conflict is a tool which attempts to calculate the price of conflict to the human race and which could be examined not only in terms of the deaths and casualties and the economic costs borne by the people

involved, but also the social, developmental, environmental and strategic costs of conflict. In the same vein, World Bank (2014) notes that conflict manifests in several forms, from strikes, demonstrations and riots to guerrilla warfare, terrorism and civil war. In turn, these forms of conflict have economic, social, psychological and other type of costs.

In this study, attempt was made to determine the effect of cost of conflict on economic growth in Nigeria using certain cost of conflict variables measures by foreign direct investment (FDI), Nigeria's capital expenditure (CAPX), Military expenditure(MEXP), unemployment rate (UNR), investment in human capital (INVHC) and economic growth parameter Gross Domestic Product (GDP) during the period 2000-2018. On the overall, we discovered that cost of conflict significantly affected Nigeria's economic growth, especially military expenditure and unemployment rate.

5.3 Recommendations

Based on the findings of the study, the following recommendations were proffered:

1. The Government should address the problem of security in the country squarely in order to encourage more inflow of Foreign direct investment (FDI) to boost economic growth

2. The Government should spend more on infrastructure and also increase its expenditure on economic services such as Agriculture, construction, technology and electricity to boost the capital developments in the country

3. Priority attention should be place by the government on creating enabling environment for industrialist and small scale industries to thrive to checkmate unrest and reduce expenditure on security

4. Improvement of human capital development and job creation to eradicate poverty and minimize the rate of unemployment in Nigerian.

5. Adequate attention should be placed on increasing productivity and development of Human capital through skill acquisition and empowerment to reduce human resource Emigration and capital flight in Nigeria

5.4 Contributions to Knowledge

A good numbers of studies has been carried out on effect of cost of conflict on Gross Domestic Product (GDP) especially studies outside Nigeria whose environment may not be convenience with the Nigeria's environment.

This study "Effect of cost of conflict on Nigeria's economy" contributed to the existing bodies of knowledge in the following ways:

Firstly, the related studies within Nigeria covered the period to 2014 but this study extended its coverage from 2000-2018.

Secondly, the related studies within Nigeria on cost of conflict, ascertained the effect of the cost of conflict on Gross Domestic Product (GDP), security expenditure, and unemployment rate; but this study included other two variables (capital expenditure and investment in human capital)

Thirdly, chow test statistical tool was added in the OLS regression techniques to test for pre and post effect of the conflict which was not used in the previous studies.

Fourthly, the adopted cost of conflict model of the previous Nigeria's studies **CONF = $B_O + B_1RGDP_t$** was modified to align with the OLS chow test regression approach.

$B_O+B_1GDP_t = (B_2FDI_t+B_3CAPX_t+B_4MEXP_t+B_5UNMR_t +B_5INVHC)$

5.5 Suggestion for Further Studies

This study was limited to Nigeria alone because of convenience of data collection. Therefore, other studies should extend their research to other African countries like Senegal, Cameroon, Republic of Congo, Sierra Leone, Somalia, Sudan that are still encountering severe terrorist attract and conflict to ascertain the effects on their economies.

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Appendix 1: Detailed output results

```
REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT GDP
  /METHOD=ENTER FDI CAPX MEXP UNR INVHC
  /RESIDUALS DURBIN
  /CASEWISE PLOT(ZRESID) OUTLIERS(3).
```

Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	INVHC, CAPX, FDI, UNR, MEXP[b]	.	Enter

a. Dependent Variable: GDP
b. All requested variables entered.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.943[a]	.888	.842	12082.81885	1.219

a. Predictors: (Constant), INVHC, CAPX, FDI, UNR, MEXP
b. Dependent Variable: GDP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13951606698.291	5	2790321339.658	19.113	.000[b]
	Residual	1751934136.099	12	145994511.342		
	Total	15703540834.390	17			

a. Dependent Variable: GDP
b. Predictors: (Constant), INVHC, CAPX, FDI, UNR, MEXP

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5583.888	14684.356		.380	.710
	FDI	-300.613	327.491	-.158	-.918	.377
	CAPX	4.540	20.777	.043	.218	.831
	MEXP	1.628E-007	.000	.834	2.299	.040
	UNR	-2304.754	2272.777	-.251	-1.014	.331
	INVHC	.055	.036	.449	1.534	.151

a. Dependent Variable: GDP

Descriptive statistics

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	4565.6016	86543.0234	36217.0267	28647.56093	18
Residual	-22494.16797	20356.68555	.00000	10151.59836	18
Std. Predicted Value	-1.105	1.757	.000	1.000	18
Std. Residual	-1.862	1.685	.000	.840	18

a. Dependent Variable: GDP

Correlation analysis

	gdp	fdi	capx	mexp	u	nr	ihcx
gdp	1.0000						
fdi	0.3354	1.0000					
capx	0.9263	0.4182	1.0000				
mexp	0.6829	0.5025	0.8050	1.0000			
umr	0.8044		0.4225	0.8133	0.881	1.0000	
ihcx	0.7809		0.2578	0.7529	0.3314	0.8434	1.0000

Ramsey regression specification test

	obs	w	v	x	Prob>
GDP	18	0.34260	7.028	2.900	0.0000
FDI	18	0.72491	9.176	4.602	0.0000
CAPX	18	0.099722	10.096	4.800	0.0000
MEXP	18	0.86778	4.411	3.051	0.0000
UMR	18	0.89718	3.430	2.559	0.00103
IHCX	18	0.83567	5.482	3.532	0.00001

Hypothesis one

```
DATASET ACTIVATE DataSet2.
REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT GDP
  /METHOD=ENTER FDI.
```

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.680[a]	.463	.429	22964.95940

a. Predictors: (Constant), FDI

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7265311068.969	1	7265311068.969	13.776	.002[b]
	Residual	8438229765.421	16	527389360.339		
	Total	15703540834.390	17			

a. Dependent Variable: GDP
b. Predictors: (Constant), FDI

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	956.479	10933.942		.087	.931
	FDI	1296.767	349.382	.680	3.712	.002

a. Dependent Variable: GDP

Hypothesis Two

```
REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT GDP
  /METHOD=ENTER CAPX.
```

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.578[a]	.334	.292	25572.77409

a. Predictors: (Constant), CAPX

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5240072441.538	1	5240072441.538	8.013	.012[b]
	Residual	10463468392.852	16	653966774.553		
	Total	15703540834.390	17			

a. Dependent Variable: GDP

b. Predictors: (Constant), CAPX

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3475.805	15262.969		-.228	.823
	CAPX	60.762	21.465	.578	2.831	.012

a. Dependent Variable: GDP

Hypothesis Three

```
REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT GDP
  /METHOD=ENTER MEXP.
```

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.929[a]	.862	.854	11620.04467

a. Predictors: (Constant), MEXP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13543133825.175	1	13543133825.175	100.301	.000[b]
	Residual	2160407009.214	16	135025438.076		
	Total	15703540834.390	17			

a. Dependent Variable: GDP

b. Predictors: (Constant), MEXP

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-6445.692	5064.379		-1.273	.221
	MEXP	1.813E-007	.000	.929	10.015	.000

a. Dependent Variable: GDP

Hypothesis Four

```
REGRESSION
 /MISSING LISTWISE
 /STATISTICS COEFF OUTS R ANOVA
 /CRITERIA=PIN(.05) POUT(.10)
 /NOORIGIN
 /DEPENDENT GDP
 /METHOD=ENTER UNR.
```

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.736[a]	.542	.513	21200.47111

a. Predictors: (Constant), UNR

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8512181231.545	1	8512181231.545	18.939	.000[b]
	Residual	7191359602.845	16	449459975.178		
	Total	15703540834.390	17			

a. Dependent Variable: GDP
b. Predictors: (Constant), UNR

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-14781.179	12739.634		-1.160	.263
	UNR	6769.673	1555.582	.736	4.352	.000

a. Dependent Variable: GDP

Hypothesis Five

```
REGRESSION
 /MISSING LISTWISE
 /STATISTICS COEFF OUTS R ANOVA
 /CRITERIA=PIN(.05) POUT(.10)
 /NOORIGIN
 /DEPENDENT GDP
 /METHOD=ENTER INVHC.
```

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.848[a]	.719	.701	16610.23734

a. Predictors: (Constant), INVHC

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.

1	Regression	11289141083.994	1	11289141083.994	40.918	.000[b]
	Residual	4414399750.396	16	275899984.400		
	Total	15703540834.390	17			

a. Dependent Variable: GDP

b. Predictors: (Constant), INVHC

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8105.400	5885.691		1.377	.187
	INVHC	.103	.016	.848	6.397	.000

a. Dependent Variable: GDP

Appendix I1

Data Used for the Study

YEARS	GDP (b')	GDP on Manufacturing (M)	FDI	CAPX	Military expenditure	Unemployment rate	Inv. On HC (M)
2000	4679.21	3,798,880.0	7.9	498.03	37,490,000,000	4.0	40,306.81
2001	6713.57	5,365,060.0	11.1	239.45	63,472,000,000	4.7	42,931.58
2002	6895.20	5,916,139.0	11.9	438.7	108,148,000,000	5.8	64,886.57
2003	7795.76	6,499,399.0	11.1	321.38	75,913,000,000	6.0	120,471.83
2004	9913.52	7,174,281.0	12.5	241.69	85,047,000,000	5.5	113,798.86
2005	11411.07	5,923,180.0	18.10	351.3	88,506,000,000	5.1	98,979.29
2006	14610.88	5,629,520.0	20.47	519.5	99,853,000,000	4.6	132,186.28
2007	18564.59	6,110,520.0	24.88	552.5	122,200,000,000	7.1	145,095.06
2008	20657.32	7,839,710.0	33.05	759.32	191,515,000,000	7.2	169,194.56
2009	24296.33	9,415,210.0	38.14	960.89	224,021,000,000	7.2	187,558.55
2010	24794.24	12,084,030.0	37.78	1152.8	299,108,000,000	5.1	198,380.82
2011	54612.26	12,402,400.0	32.50	883.87	369,045,000,000	6.0	231,817.84
2012	62980.40	12,774,472.0	34.30\	918.55	364,843,000,000	10.0	266,620.73
2013	71713.94	25,133,240.0	41.51	874.83	380,500,000,000	10.6	305,529.54
2014	80092.56	37,412,550.0	44.60	1108.39	373,815,000,000	7.8	587,899.87
2015	89043.62	61,969,150.0	45.67	783.12	397,497,000,000	9.0	609,984.81
2016	76098.00	53,815,350.0	48.01	665.1	444,098,000,000	13.4	682,900.00
2017	67034.01	60,204,760.0	50.23	489.11	510,000,000,000	16.5	890,453.09
2018	80604.83	71,214,541.0	42.10	682.32	613,000,000,000	12.5	730, 112.23

SOURCE: CBN Statistical Bulletin Various years, National Bureau of statistics, World Bank, 2018

GDP – GROSS DOMESTIC PRODUCT
FDI – FOREIGN DIRECT INVESTMENT
CAPX– CAPITAL EXPENDITURE
MEXP – MILITARY EXPENDITURE
UNR – UNEMPLOYMENT RATE
INVHC – INVESTMENT IN HUMAN CAPITAL