SECURITY CHALLENGES AND THE IMPLICATIONS FOR BUSINESS ACTIVITIES IN NIGERIA: A CRITICAL REVIEW

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Abstract
This paper examines security challenges and the implications for business activities in Nigeria. The paper seeks to determine the implications of security problems on the business operation and investment in Nigeria. The study adopts the Democratic Peace Theory. Secondary data was mostly used in the study. The study identifies the root causes of insecurity in Nigeria which has hindered business activities and some security challenges confronting Nigeria was also highlighted. Security challenges in any environment constitute threat to lives and properties, hindered business activities, and discourage local and foreign investors, which effect and retards socio-economic development of a country. The study recommends effective formulation and implementation of policies capable of tackling the root causes of insecurity in Nigeria, such as Ethno-religious conflict, weak security system, systemic and political corruption, unemployment, among others.

Key Words: Security, Challenges, Business activities, Nigeria.

INTRODUCTION
Recently, Nigeria has witnessed an unprecedented level of insecurity. This has threatened national security and has prompted huge allocation of the national budget to security (Achumba and Akpor 2013). The 1999 Constitution of the Federal Republic of Nigeria specifically states that “The security and welfare of the people shall be the primary purpose of government”. Unfortunately, government on this constitutional responsibility has failed to provide a secured and safe environment for lives, properties and the conduct of business and economic activities. The alarming level of insecurity in Nigeria has increased the crime rate and terrorists attacks in different parts of the country, leaving unpalatable consequences for the nation’s economy and
business growth. In order to ameliorate the incidence of crime, the federal government has embarked on criminalization of terrorism by passing the Anti-Terrorism Act in 2011. Despite the government efforts, the level of insecurity in the country is still high, and a confirmation of this is the low ranking of Nigeria in the Global Peace Index (GPI, 2012).

Security challenges can be traced to the early years of military rule when large quantities of arms were imported into the country for the use of the military during and after the Nigerian civil war, some of which got into the hand of the civilians. Soon after the civil war these arms were used by civilians and ex-military men for mischievous purposes such as armed robbery, (Olabanji and Ese 2014). The 1999 constitutions make provisions for the rights of citizens. The inability of government to provide a secure and safe environment for lives, properties and the conduct of business and economic activities has led to resentment and disaffection among business investors. This has resulted in communal clashes, and religious violence and crime in different parts of the country that has destroyed lives and properties, disrupted businesses and economic activities, and retarded economic growth and development in Nigeria. No business investors whether local or foreign will be motivated to invest in an unsafe and insecure environment. In a globalized world investors are not only looking for high returns on their investments but also safe environment for their investments. Thus the alarming level of insecurity in Nigeria has made the economy unattractive to foreign investors and has slowed down the level of business activities, and this has impacted negatively on economic growth and development. Consequently the purpose of this paper is to examine the implications of insecurity on business activities.

STATEMENT OF PROBLEM
There is high level of insecurity in the country, particularly, in the Northern zone where ‘Boko Haram’ has become a threat to business activities. No investor will be willing to invest where his investment is not secured. Many companies and businesses in the Northern part of the country have stopped operation due to “Boko Haram” scourge. The cost of life and material resources lost to insecurity in the country since the past few years is unquantifiable. The frequent occurrence of bomb explosions, orchestrated by the acclaimed religious extremists in the northern part of the country, has assumed a worrisome dimension. An estimated number of about 2,000 lives have been lost to bomb explosion from 2010 till date. According to security information released by Crime Guard, a security monitoring group, between March and December 2012, there were a total of 153 successful explosions in the country which claimed several lives and properties and led to closure of many businesses in the country. As a result of insecurity in the country many businesses and companies in their numbers are closing down operations in the north and relocating to other African countries for fear of loss of lives and properties. And the few remaining companies operate on skeletal bases. Insecurity in the country not only affects foreign direct investment and business activities, it also affects business confidence as many companies lost confidence in establishing businesses in some parts of the country.

REVIEW OF RELATED LITERATURE
CONCEPTUAL REVIEW
According to Nwanegbo and Odigbo (2013), Olabanji and Ese (2014) the divergent approaches to the conceptualization of human security in the theoretical literature can be
categorized into two major strands. One is a neo-realist theoretical strand that conceptualizes security as primary responsibilities of the state. The second strand, a postmodernist or plural view, conceptualizes security as the responsibilities of non-state actors and displaces the state as a major provider of security. Proponents of this approach argue that the concept of security goes beyond a military determination of threats. They are of the view that government should be more concerned with the economic security of individual than the security of the state because the root causes of insecurity are economic in nature. Security embraces all measures designed to protect and safeguard the citizenry and the resources of individuals, groups, businesses and the nation against sabotage or violent occurrence (Ogunleye et al, 2011).

Some scholars in conceptualizing security placed emphasis on the absence of threats to peace, stability, national cohesion, political and socio-economic objectives of a country (Igbuzor, 2011; Oche, 2001; Nwanegbo and Odigbo, 2013, Olabanji and Ese 2014). Omede (2012) sees security as a dynamic condition which involves the relative ability of a state to counter threats to its core values and interests.

The concept of insecurity connotes different meanings such as: absence of safety; danger; hazard; uncertainty; lack of protection, and lack of safety. Beland (2005), insecurity is “the state of fear or anxiety stemming from a concrete or alleged lack of protection.” It refers to lack or inadequate freedom from danger. Achumba et al (2013) defines insecurity from two perspectives. Firstly, insecurity is the state of being open or subject to danger or threat of danger, where danger is the condition of being susceptible to harm or injury. Secondly insecurity is the state of being exposed to risk or anxiety, where anxiety is a vague unpleasant emotion that is experienced in anticipation of some misfortune. These definitions of insecurity underscore a major point that those affected by insecurity are not only uncertain or unaware of what would happen but they are also vulnerable to the threats and dangers when they occur.

People engaged in business activity, either directly or indirectly, to satisfy unlimited human wants. Therefore, business has become part and parcel of human existence in particular and global world in general. Mohddeeb (2011) defined business as an economic activity, which is related with continuous and regular production and distribution of goods and services for satisfying human wants. Henry (2011) it is human activity directed towards producing or acquiring wealth through buying and selling of goods. Stephenson (2011) sees business as the regular production or purchase and sales of goods undertaken with the aim of making profit and acquiring wealth through the satisfaction of human wants.

THEORETICAL FRAMEWORK
This study adopts the Democratic Peace Theory to explain the Security challenges in Nigerian. According to this theory, security largely depends on encouraging liberal institutions to discharge their responsibilities creditably; and a security policy must have as its long-term the spread of liberalism (Doyle, 1998). Therefore, the route to peace is to encourage democratic system, the universal respect for human rights and the development of civil society. But such conclusion depends largely on untroubled and robust correlation between the democratic nature of a state and peaceful inclination. Thus, the democratic peace theory assumes that liberal states do not fight wars against other liberal states. This theory was first enunciated in a keynote article by Michael Doyle in Journal of Philosophy and Public Affairs (Doyle, 1998). Thus, Doyle argued that there was a difference in liberal practice towards liberal societies and liberal practice
towards non-liberal societies. From security point of view, the recommendations of democratic peace theory are clear.

CAUSES OF INSECURITY IN NIGERIA

Many scholars have identified several causes of insecurity in Nigeria that are inimical to socio-economic and national development (Ali, 2013; Okorie, 2011; Jega, 2002; Salawu, 2010; Onyishi, 2011; Ezeoba, 2011; Lewis, 2002; Achumba and Akpor 2013). These causes have been classified into external and internal causes. In Nigeria the internal causes of insecurity pose major challenge to socio-economic development than the external causes of insecurity.

Ethno-religious conflicts - These have arisen from distrust among various ethnic groups and among the major religions in the country. Ibrahim and Igbuzor (2002), Hazen and Horner, (2007), Salawu (2010) and Igbuzor, (2011) identified ethno-religious conflict as a major causes of insecurity in Nigeria. Ethno-religious conflict was defined as a situation in which the relationship between members of one ethnic or religious group and another of such group in a multi-ethnic and multi-religious society is characterized by lack of cordiality, mutual suspicion and fear, and a tendency towards violent confrontation (Achumba et al. 2013; Salawu, 2010).

Frequent and persistent ethnic conflicts and religious clashes between the two dominant religions (Islam and Christianity), present the country with a major security challenge. In all parts of Nigeria, there exist ethno-religious conflicts and these according to Ibrahim and Igbuzor (2002) have emerged as a result of new and particularistic forms of political consciousness and identity often structured around ethno-religious identities. The claim over scarce resources, power, land, chieftaincy, local government, councils, control of markets and sharia among other trivial issues have resulted in large scale killings and violence amongst groups in Nigeria (Adagba, et al, 2012).

In all parts of Nigeria, ethno-religious conflicts have assumed alarming rates. It has occurred in places like Shagamu (Ogun State), Lagos, Abia, Kano, Bauchi, Nassarawa, Jos, Taraba, Ebonyi and Enugu State respectively. These ethno-religious identities have become disintegrative and destructive social elements threatening the peace, stability and security in Nigeria (Eme and Onyishi, 2011).

Weak Security system - This result from inadequate equipment for the security arm of government, both in weaponry and training (Achumba et al. 2013). This is in addition to poor attitudinal and behavioural disposition of security personnel. In many cases, security personnel assigned to deal with given security situations lack the expertise and equipment to handle the situations in a way to prevent them from occurring. And even when these exist, some personnel get influenced by ethnic, religious or communal sentiment and are easily swallowed by their personal interest to serve their people, rather than the nation. Thus, instead of being national watch dogs and defending national interest and values, and protecting people from harm by criminals, they soon become saboteurs of government effort, by supporting and fuelling insecurity through either leaking vital security information or aiding and abetting criminals to acquire weapons or to escape the long arm of the law (Achumba and Akpor 2013).

Unemployment/Poverty- As a result of the high level of unemployment and poverty among Nigerians, especially the youths, they are adversely attracted to violent crime (Adagba, et al, 2012). Nwagbosa (2012) argued that the failure of successive administrations in Nigeria to
address challenges of poverty, unemployment and inequitable distribution of wealth among ethnic nationalities is one of the major causes of insecurity in the country. Unemployment has a severe negative implication on national development in Nigeria as most of its productive force is unemployed. What this means theoretically is that poverty and unemployment increase the number of people who are prepared to kill or be killed for a given course at token benefit Salawu (2010). It could predispose one to engaging in illicit activities that would undermine security of the environment.

According to the National Bureau of Statistics, Nigeria’s unemployment rate increased to 23.9 percent in 2011 compared with 21.1 per cent in 2010 and 19.7 per cent in 2009. The country has a youth population of 80 million, representing about 60 per cent of the total population with a growth rate of 2.6 per cent per year, and the national demography suggests that the youth population remains vibrant with an average annual entrant to the labour force at 1.8 million between 2006 and 2011. In 2011, 37.7 per cent of Nigerian youths were aged 15-24 years and 22.4 per cent of those between ages 25 and 44 were willing to work but did not get jobs.

**Porous Borders:** Achumba et al. (2013) observe that the porous frontiers of the country, where individual movements are largely untracked have contributed to the level of insecurity in Nigeria. As a result of the porous borders there is an unchecked inflow of Small Arms and Light Weapons into the country which has aided militancy and criminality in Nigeria (Hazen and Horner, 2007). Available data show that Nigeria host over 70 percent of about 8 million illegal weapons in West Africa (Edeko, 2011). Also, the porosity of the Nigerian borders has aided the uncontrollable influx of migrants, mainly young men, from neighboring countries such as Republic of Niger, Chad and Republic of Benin responsible for some of the criminal acts (Adeola and Oluyemi, 2012).

**Systemic and political Corruption** It has been described as cancer militating against Nigeria’s development, because corruption deeply threatens the fabric of the Nigeria society (Nwanegbo and Odigbo, 2013). Corruption hampers economic growth, disproportionately burdens the poor and undermines the effectiveness of investment and aid (Iyare, 2008). It has been described in the academic circles as cancer militating against Nigeria’s development; corruption is deeply threatening the fabric of the Nigeria society (Iduh 2011). The existence of two anti-graft agencies; Independence Corrupt Practices Commission (ICPC) and Economic and Financial Crimes Commission (EFCC) since 1999 appear to have done little in an effort to totally eradicate corrupt practices in Nigeria. The ICPC and EFCC seem to have come under severe criticisms owing to what appeared as “selective” prosecution in handling corrupt related matters under Obasanjo administration. Iyare, (2008:46), argued that the EFCC derailed completely as it became the tool of the Obasanjo government to silence and witch hunt Obasanjo’s political opponent.

**IMPLICATIONS OF THE INSECURITY CHALLENGES FOR BUSINESS ACTIVITIES IN NIGERIA**

The implication of the insecurity situation in Nigeria for business activities can be viewed from two broad Perspectives according to Achumba and Akpor (2013), the perspective of potential business investment and the perspective of existing business enterprise.
Potential Business Investment - Insecurity discourages business investment as it makes investment unattractive to business investors. This is because it accelerates the cost of doing business either through direct loss of goods and properties or the cost of taking precautions against business risks and uncertainty. These costs could have a negative impact on business development and progress. The thick arrow connecting the insecurity environment and business investment means that insecurity can be a huge blockade to business investment. Ujah and Eboh (2006) reported a study by World Bank on investment climate in nine African countries in which it was found that 29% of business operators in Africa and 36% in Nigeria perceived insecurity as a major constraint on investment. This situation has the damaging consequence of giving signal to the international community that Nigeria is not a safe and secure place and as such not suitable for investment and business activities. In that case, foreign firms and entrepreneurs would decline to invest and this is particularly important in view of the efforts being made to create the desired atmosphere to attract foreign direct investment. So, it is a strong disincentive to business investment as it scares away potential investors. This is because such environments or economies are considered high risk zones due to the high level of uncertainty about the safety of investment and lives of the managers and their staff.

Existing Business Enterprise - The Nigeria insecurity situation can, and in many cases, actually halted business operations during the periods of violence and also caused the outright closure of many enterprises especially in the areas or zones where incidences of insecurity is rife and are on daily occurrence, in a bid to protect lives of operators and business property. Generally, if there is no peace and security, it is extremely difficult for businesses to survive. Ordinary citizens having small and medium scale businesses cannot open shops for business transactions. Insecurity everywhere is a risk factor which business owners and managers dread and wish to avoid by relocating their businesses elsewhere. In the case of Nigeria, there is also evidence of some businessmen and manufacturing companies having to relocate particularly from the North in recent time, to other peaceful parts of the country (Nwagbosa 2012). Non indigenes especially Igbos and Yorubas have to return to their home states before they are killed by Boko Haram (Suleiman, 2012). In addition, some firms may shift their operations to other countries like Ghana which is deemed to be more peaceful.

SECURITY CHALLENGES CONFRONTING NIGERIA

Armed Robbery: Apart from the scourge of kidnapping Nigeria has become a fertile ground for dare devil robbers and all sorts of criminalities. There is no evidence to show that all security measures put on ground by Nigeria government has shown any appreciable drop in the incidents of armed robbery. Rather, it would seem armed robbery is on the increase. The situation is such that virtually every Nigerian now lives inside highly walled fences and barricaded compound, a sort of self imposed prison yard. In its 2008 report, the National Bureau of Statistics (NBS) said armed robbery cases were more pronounced in seven states in the country. The figures which the NBS said were based on cases reported to the police in 2007 identified the crime-prone states as Oyo, Imo, Rivers, Kano, Ogun, cross River and the FCT. The breakdown of armed robbery cases showed that in 2009, Oyo state had 244 cases; Imo (176); FCT (172); Rivers (145), Cross River (137) Kano (108) Ogun (107) Anambra (96) Adamawa (96) Abia (89) Akwa Ibom (88) ekiti (85) Edo (79) Lagos (70) while each of Gombe, Benue, Plateau, Kwara, Sokoto, Jigawa, Kebbi and
Robbers have remained like the nation’s albatross. Unfortunately, security agencies, especially those responsible for internal security, often seem helpless in the face of increasing crime wave in the country.

**Kidnapping:** though kidnapping started in the oil-rich Niger Delta area when it was used as a tool to address the wanton neglect of their communities by successive administrations, it has since grown to become the new multimillion naira business now thriving outside the region. As Nwankwo (2012), noted, for the south-east, kidnapping is now a tool for settling personal and political scores. Besides, the pecuniary gains accruing from the ransom collected from the families of victims, usually in huge millions of naira, many desperate politicians in Igbo land are now using kidnapping as a tool of vendetta on perceived political enemies. Kidnapping has made Nigerians to live in perpetual fear. Even in the northern parts of the country where the wave of kidnapping is not rampant, living has continually slipped to the Hobession state of nature where life is brutish, nasty and short.

**Boko Haram:** is a religious Islamic sect that came into the limelight in 2002 when the presence of the radical Islamic sect was first reported in Kanama (Yobe state) and also in Gwoza (Borno state) Nwanegbo and Odigbo (2013). “Boko Haram,” which in the local Hausa language means “Western education is forbidden,” officially calls itself “Jama’atul Ahlul Sunnah Lidda’wati wal Jihad,” which means “people committed to the propagation of the Prophet’s teachings and jihad” (Meehan and Speier 2011). The Boko Haram is a controversial Nigerian Militant Islamist group that seeks the imposition of Sharia law in the northern states of Nigeria. Ideologically, the group opposes not only western education, but western culture and modern science (Dunia, 2010). The activities of the Boko Haram group constitute serious security challenges in the contemporary Nigerian state. The activities of members of this group have raised critical questions among investors on the safety of their investments in Nigeria. It has also threatened the existence and survival of many businesses in Nigeria especially in the northern part of the country. This ranges from killing of innocent Nigerians, raping of women, bombing of major cities and police stations in the northern part of Nigeria, particularly, Borno, Kano, Bauchi, Niger, Yobe, Adamawa, Abuja, among others (Nwagboso 2012).

**Terrorism:** Terrorism is a global phenomenon and it is ravaging the whole world. It has been defined by Sampson and Onuoha (2011) as “the premeditated use or threat of use of violence by an individual or group to cause fear, destruction or death, especially against unarmed targets, property or infrastructure in a state, intended to compel those in authority to respond to the demands and expectations of the individual or group behind such violent acts”.

**Hired Assassins:** Another big security challenges facing Nigeria today is the rampant cases of hired assassins. Many Nigerians including law-abiding citizens continue to be cut down by bullets from either the guns of the assassins, or the armed robberies and occasionally from the ransom-seeking kidnappers. Although these heinous crimes carry capital punishment in the nations various laws and statues, the situation continues to deteriorate as a result of the helplessness of the law enforcement agents to bring the perpetrators of these dastardly acts to book. The Nigeria government has failed in their basic responsibility to the citizens to protect lives and property.
MEASURES OF TACKLING SECURITY CHALLENGES IN NIGERIA

Elimination of corruption and entrenchment of justice - Corruption is the antithesis of progress and development as it creates political instability, social unrest and crime infested environment, it breeds inefficiency, incompetence, mediocrity, unethical values and other bas instincts in man such as greed, avarice and rapacity. Corruption is so entrenched in Nigeria that it has become a household word and all factors of the economy are caught in corruption web, such that Nigeria ranked among the top ten most corrupt nations in the world (Onimajesin 2013). Corruption and injustice in Nigeria must be totally eliminated. Nepotism and a culture of impunity must also be eschewed from our national psyche and life.

Creating employment to unemployed youth - Social effects of unemployment include personal hardship, depression, decay of acquired but unused skills, involvement in crime (mostly among youth) as well as dispute among married people, delayed marriages among singles and sometimes broken homes. Joblessness of a husband can lead to infidelity of the wife. Unemployment increases governments’ expenditure or transfer payments where welfare programs are implemented in favor of the unemployed. Effect of corruption is that it leads to a reduction in economic growth and development by lowering incentives to invest, it also leads to a divestment in such economies. Serious investors are always wary of offering bribes before being allowed investment rights or operational licenses. This is due to the fact that there is no guarantee that greased officials may keep their side of the agreement, and with no official cover they address in case of contract breach, the fleeced investor is on his own (Eppele, 2006). To the above is the fact that foreign investors are also prone to withdraw their capital from a country with high incidence of corruption because the risk involved in doing business in such nations sometimes outweighs the benefits. Corruption contributes immensely to inhibition of economic performance; it negatively affects investment and economic growth, which is detrimental to national development. If corruption discourages investment, limits economic growth and alters the composition of government spending, it automatically hinders future economic growth and sustainable development. Unemployment must be seriously tackled and curtailed. The private sector must be encourage and supported to create the much needed jobs. Constant electricity supply will no doubt boost employment and increase productivity.

Equipment of security agencies - Training and retraining of officers must be carried out on a regular basis with special focus on human rights, weapon handling, communication skills, new interrogation techniques (torture is outdated), exposure to new equipment and technology. Training in information technology should be made compulsory and the entry requirement should be raised in order to attract the best in the country. A highly disciplined and well-trained force is essential to delivering set targets and goals of providing security for lives and properties. Discipline must be instilled at all levels of the workforce. Re-organization of the security agencies to take them through a new reorientation via re-training of security agents. People should be more security conscious, share information with the police and other security agencies. The populace should not leave security matters to security personnel only. All should be involved in security information and data gathering. Moreover, efforts should be put in crime prevention than control. Furthermore, the government should increase the size of Nigeria’s security agencies, empower and motivate them very well and strengthen neighborhood watch.
Good governance- According to Oluwarotimi (2012), good governance is the panacea for the insecurity challenge in Nigeria. She states that the war against insecurity would be won only by raising governance standards that is, cultivating the culture of good governance where the government is responsible and accountable to the people. In her view, security engagement cannot be separated from good governance. Many others have also linked security to governance system. The general view is that peace and security is determined by good governance. However, as Oluwa (2012) has pointed out, good governance is a function of effective, visionary, transparent, trustworthy and credible political leadership whose driving force is an improvement in the collective wellbeing of the citizens through well conceived, effectively implemented economic policies and human development programmes. The underlying principle of good governance is the focus on people as the ultimate objective of governance

CONCLUSION AND RECOMMENDATION
Security challenges in any environment constitute threat to lives and properties, hampered business activities, and discourage local and foreign investors, all of which stifle and retards development of a country. It is therefore apparent that national security is a desideratum, sine qua non for business and economic growth and development of any country (Oladeji and Folorunso, 2007). The Federal Government (FG) should formulate and effectively implement policies and programmes capable of addressing the root causes of insecurity in Nigeria -such as Ethno- religious conflict, systemic and political corruption, weak security system and unemployment among others. Federal government should establish a more viable and result-oriented agency capable of addressing the problem of abject poverty/ unemployment among large population of Nigerians, this will aid in reducing the level of crime and violence in the country. Government must be proactive in dealing with security issues and threats, through training, modern methods of intelligence gathering, and intelligence sharing, logistics and deploying advanced technology in managing security challenges. This will add more values in checking incessant bombings, robbery, kidnapping and violent crimes/crises by hoodlums in the country. Federal government should include Security Management in school curriculum at all levels of education in Nigeria. This will enable the Nigerian youths to appreciate the importance of security in a secular state like Nigeria.

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