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Research Paper

The Role of Corruption and Insecurity in The Economic Recession and Crisis of North-Eastern Nigerian States: 2016-2019

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ABSTRACT

Economic recession or crisis is a downfall in the general economic condition of a society. There is no country in the world that has no history of economic recession. However the case of Nigeria is a very glaring evidence of economic crisis looking at the life condition of the people, especially north-eastern Nigerian region that have been engulfed by the general insecurity of Boko Haram insurgency. This paper aims at discussing the current economic crisis in Nigeria with special reference to the critical condition of economic life of the people in the insurgency devastated area under DemocraticBuhari government. What this research paper discovered is, apart from the inherent weak foreign reserve and other economic problems of the nation, there is serious role played by the north-east insecurity created by Boko Haram insurgency and compounded by the inherent corruption within the Nigerian security personnel in the whole situation. The central argument of this paper is to clearly show how the insecurity artificially compounded the inflation of prices of basic commodities especially in the insurgency affected area. It is argued that differences of prices between insurgency free area and the analysis of this paper is an indication that development could be halted by insecurity anywhere in the world. And this have been shown in the comparisons made through tables indicating the differences in prices between the major suppliers (Kano) and Maiduguri one of the center of the insurgency, as well as the rapid growth of inflation almost by weekly basis, which had never happened in the economic history of the country. The various security check points mounted to check the activities of the insurgents had according to this research paper contributed to the inflation due to their excessive collection of bribe alone the way. The paper shows the differences of prices which is believed to have created by both the Boko Haram crisis and the role of security agents.

KEYWORDS: Recession, Inflation, Corruption, Insecurity, Boko Haram

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I. INTRODUCTION

The word economic recession is generally refers to economic slowdown of any government. It is simply a situation where the economic conditions of the society retrogress within all its fiber. In other words, the economic negatively growth in such a way, good and services are not properly delivered. It is therefore agreed, once there is increase in unemployment, decrease in consumer and spending, as well as general inflation in commodities, people start referring to the situation as a recession. According to Paul Mckinney, "recession is a general downturn in any economy. It is associated with high unemployment, slowing gross domestic product, and high inflation. ¹

In other words, economic recession is a period of general economic collapse which is mostly accompanied by a drop in the stock market, rapid growth of unemployment, and a decline in the market. This situation according to economists, are caused by certain parameters that facilitated the situation which could be surmounted with careful balancing of the market forces. However what is paramount to note in this regard is

2 Ibid

¹M C Kinney P, (2018) "What is Economic Recession", in Accredited Business. www.google.com

that, the blame for a recession generally falls on the federal leadership, often either the president himself, the head of the Federal Reserve, or the entire administration. ²

It is therefore agreed any economy that entangles into serious devaluation, unemployment crisis, inflation and under-productivity, is said to be facing economic recession or crisis. Thus, among the causes of recession according to economic experts include: High interest rate, instability of prices, reduction in basic consumption of goods, absent of definite wages, etc

Nigeria under the current democratically elected government has been witnessing economic recession since its inception. For more than five years the general state of livelihood has been affected by the economic crisis. The currency (Naira) has crushed against USD at one time up to 580 per 1Dollar which had never been experienced in the economic history of the country. To confirm that Nigerian government had agreed the country was in economic recession mess, the words of KemiAdeosun proved that:

"We have a strategic plan that will take us out of the recession.

We have found ourselves in; we want to make sure the recession is

As short as possible because we do not want a prolong recession."³

Also the Central Bank Governor further reiterated:

"Given the increase in oil production and the decline in the

inflation rate (which have all surrounded the economy: emphasis mine)...

the country should be out of recession soon by the end of second

quarter."4

Thus, the objective of this paper is, not to only discuss and analyze the rate of the terrible economic conditionin terms of prices in food provision, with special emphasis to Maiduguri, Borno state capital, but also critically examine some other artificial factors that contributed to that economic crisis. This factor is no less than the insecurity brought as a result of Boko Haram insurgency in the region. Many situations could have been saved without such calamity.

II. METHODOLOGY OF THE RESEARCH WORK

The area under this research work is limited to North-east and particularly Maiduguri metropolitan, Borno state capital, one of the states in North-Eastern Nigeria where Boko Haram crisis manifested. The crisis gained firmed root since 2009 and since then merciless killings, kidnappings and series of bomb blast became rampant despite the intervention of Joint Task Force lead by Nigerian military. The scope of this paper is centered around the impacts of insecurity and corruption on the economy crisis and food security in the northeastern region. A case study of Maiduguri is taken to analyze the situation with regard to the prices of basic commodities which sharply differs from other parts of the country because of the security situation of the area. This work choose a Qualitative method of research by which table analysis is being use to indicate the facts in the central argument of the paper. Method of data collection for this paper was based on the survey carried out through fieldwork in Maiduguri and Kano. This was done through some research assistants who are well conversant with the two states. With their assistance the researcher was able to reach out to the relevant informants, and by extension the work was able to meet all the economic stakeholders of the two states that were directly affected by the objectives of this research paper. The methodology applied in the process of gathering the information of this work subsume in-depth interviews with the relevant informants such as major dealers of the commodities, retailers, traders and few selected consumers of the society. A total number of 40 informants were interviewed. Most of the interviews were carried out confidentially because of the security situation of the area under study. All the data were collected and recorded in audio-tapes which was transcribed

4.Ibid

³Adeosun K,(2016), "We shall soon be out of recession." Published in Vanguard Newspaper of August 16th 2016.

for the purpose of data analysis. Another method applied during the interview was the application of interpreters from the research assistants since majority of the interviewers could only speak in Kanuri and Hausa languages where the fieldwork lasted for a period of three weeks, At the end secondary source such as information from Journals, internet, and relevant documents from government organization were used to compile this work.

OVERVIEW OF ECONOMIC RECESSION IN NIGERIA.

Since post- independence era, economic crisis continued to bedeviled Nigerian government. The period of oil boom of Gowon regime could have utilized the abundant capital of petro-dollar earning, but corruption set in and the economy started witnessing slow development of infrastructure and import congestion.⁵

The first democratically elected government of second republic was wallowed into economic wrangling. In words of Chief Awolowo; It is generally agreed that Nigeria is seriously ill. The economy ails critically and the body-politic aches in every part of its organism. Everywhere there is hunger, depression, discontent...⁶

To confirmAwolowo's assertion, in 1985, the new government of Buhari/Idiabon reiterated the situation:

"Our economy has been hopelessly mismanaged. We have become a debtor and beggar – nation..."

However serious economic recession was first felt when Babangida regime introduced Structural Adjustment Programme (SAP) which for the first time Naira was devalued to almost 22/USD. Virtually all economic parameters of the Nation were affected. In fact Babangida increased fuel price in Nigeria five different times. (Reference on (SAP) equally from Abatcha to the return of the democratic period between 1998 and 2015, all the successive regimes have experienced their economic crisis which the nations had out cried. For instance petroleum which is the highest source of revenue of the nation country, had been witnessing domestic increase in pump price. In fact throughout political history of Nigeria, only one former president reduced fuel price in the country, that is late Umaru Musa Yar'adua in 2007. Otherwise, since 1973, Nigeria fuel price has been shooting astronomically. It was only the eighteen months of Buhari/Idiabon that did not witnessed fuel price increase. This indicates Nigerian economic crisis has a very long history. Below table justify the above argument.

DIFFERENT INCREASES OF FUEL PRICES IN NIGERIAN ECONOMIC HISTORY FROM 1973 TO DATE.

TABLE 1

TIBLE I							
S/N	REGIME	FROM (Price)	TO (Price)	YEAR			
1.	General Yakubu Gowon	6 kobo	8.5 kobo	1973			
2.	General Murtala Muhammad	8.5kobo	9. kobo	1976			
3.	General Olusegun Obasanjo	9 kobo	15.3 kobo	1978			
4.	Alh. ShehuShagari	15.3 kobo	20 kobo	1982			
5.	General Ibrahim Babangida	20 kobo	39.5 kobo	1986			
6.	General Ibrahim Babangida	39.5 kobo	42 kobo	1988			
7.	General Ibrahim Babangida	42 kobo	60 kobo	1989			
8.	General Ibrahim Babangida	60 kobo	70 kobo	1991			
9.	General Ibrahim Babangida	70 kobo	5 Naira	1993			
10.	General Sani Abatcha	5 Naira	3.25 Naira	1993			
11.	General Sani Abatcha	3.25 Naira	15 Naira	1994			
12.	General Sani Abatcha	15 Naira	11 Naira	1994			
13.	General Abdul Salam Abubakar	11 Naira	20 Naira	1999			
14.	President Olusegun Obasanjo	20 Naira	22 Naira	2000			
15.	President Olusegun Obasanjo	22 Naira	26 Naira	2002			

⁵Jafaru. L.T. (2003), The Story of the Nigerian third Republic: *its genesis and aftermath*. Compact Publishers, University of Maiduguri, Nigeria.

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⁶Awolowo. O, (1983), An Open letter to the Executive President of the Federal Republic of Nigeria, published in "the Nigerian Economist" Newsmagazine of March 29th 1993.

⁷Abatcha. S, (1983), address to the nation on the occasion of military coup of December 31st 1983.

16.	President Olusegun Obasanjo	26 Naira	42 Naira	2003
17.	President Olusegun Obasanjo	42 Naira	50 Naira	2004
18.	President Olusegun Obasanjo	50 Naira	65 Naira	2004
19.	President Olusegun Obasanjo	65 Naira	75 Naira	2007
20.	President Umaru Musa Yar'adua	75 Naira	65 Naira	2007
21.	President GoodluckEbele Jonathan	65 Naira	97 Naira	2012
22.	President MuhammaduBuhari	97 Naira	145 Naira	2016
23.	President MuhammaduBuhari	145 Naira	158 Naira	2019
24.	President MuhammaduBuhari	161 Naira	168 Naira	2020
25.	President MuhammaduBuhari	168 Naira	162 Naira	2020

SOURCE: Petroleum Price and Regulatory Agency(PPPR) Record.

ECONOMIC RECESSION AND THE CRISIS OF ECONOMY IN BOKO HARAM DEVASTATED NORTH-EAST REGION.

The current Buhari administration after taking over the power claimed to have a difficult economy to handle. This according to government source, ⁸ this was due to high debt, bankrupted foreign reserved and internally disarticulated economic structure. This was said to be the architect behind the inflation of imported commodities and other social services in the country. Naturally this entangled the Nation into serious economic recession felt all over the country, which led to the astronomical inflation of prices of all basic commodities, at one time almost on weekly basis.

The most interesting aspect of this research paper is how the inflation varies from one part of the country to the other especially Maiduguri, bedrock of the insurgency. This according to the findings of this work is, but the outcome of the insurgency in the North-Eastern states which culminated due to Boko Haram fight. Below table show the prices of few commodities from Singa Market in Kano for the three months of August, September and October, where more than 80% of the goods are being supply to Maiduguri indicating the sharp difference of price compare to that of Monday market in Maiduguri.

TABLE 2

Month/Year	Rice	Semovita	S/ghetto	V/Oil 5litres	Maggi	Sugar	Flour
August 20191st	26,000	3,500	3,500	3,100	420	17,000	11,000
Week							
2 nd Week	26,000	3,500	3,500	3,100	420	17,000	11,000
3 rd Week	26,000	3,700	3,500	3,100	420	17,000	11,000
4 th Week	26,000	3,700	3,500	3,100	420	17,000	11,000
September 2019 1st	27,500	3,800	4,200	3,100	420	17,000	11,000
Week							
2nd Week	27,500	3,800	4,200	3,100	420	17,300	11,500
3 rd Week	27,500	3,800	4,200	3,100	420	17,300	11,500
4 th Week	28,000	3,800	4,200	3,100	420	17,300	11,500
October 20191st	28,000	4000	4,200	3,200	430	17,000	11,500
Week							
2 nd Week	28,500	4100	4000	3,200	430	17,000	12,000
3 rd Week	28,000	4100	4000	3,300	430	17,500	12,500
4 th Week	28,000	4100	4,200	3,300	430	17,000	12,000

SOURCE: Singa market list of prices of goods Kano, 2019.

From the above table however, it is clear to perceive that inflation in the basic commodities is alarming compare to the prices before the 2015. Even though the government has been under serious pressure from the Covid 19 pandemic and other world economic crisis, couple with border closure with the view to revive home base economic potentialities, it is obvious the insurgency in the north-east has further compounded the situation as shall be buttress by this paper.

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⁸ Several times spokesman of the president have justified that claimed. For instance see the interview granted by ShehuGarba Special Assistant to the President on media and publicity to the Daily Trust of November 16th 2016.

THE IMPLICATIONS OF BOKO HARAM INSURGENCY IN THE NORTH-EASTERN REGION IN THE CURRENT ECONOMIC CRISIS.

However, to further confirm the argument in this research, is an excursion carried out with regard to the role played by the general insecurity in Maiduguri as result of the Boko Haram insurgency which started since 2009. Looking closer at the prices of the commodities in other parts of the country, compare to the ones in the north-east triggered the question as to why the differences. The questions to ask are: what happened? Why the disparities? Equally this brought the paper closer to the activities of Boko Haram insurgency in the north-eastern states.

Because of the activities of the insurgency which has been ravaging the region for the past ten years, series of security measures have been mounted to take care of the situation. Among them include the multiple check points in various places alone the ways. Initially even within the major towns of the region, but later restricted to the high ways. This research paper discovered that, from Kano to Maiduguri, there are currently no less than forty (40) various security check points ranging from Army, Paramilitary as well as Joint Task Force, with different style of checking. All in an attempt to bring an end to the ongoing insurgency but to no avail for the past ten years. (See table 3) Instead, the presence of these security personnel further aggravated the harsh condition of the people through series of unprofessional behavior which later attracted global outcry as to the excessive abuse of human right particularly from the military cycle.

TABLE 3 LIST OF SOME MAJOR CHECK POINTS ALONG MAIDUGURI ROAD FROM AZARE

SN	CHECK POINT	SECURITY AGENTS		
1	Azare Check Point	Joint Task Force		
2	" Outgoing Check Point	Police		
3	Potiskum in-coming Check Point	Army		
4	Potiskum town Check Point	Joint Task Force		
5	Potiskum Out-going Check Point	Mobile Police		
6	Potiskum 2 nd Out-going Check Point	Police		
7	Mamudo Check Point	Army		
8	Damagum Check Point	Joint Task Force		
9	Ngelzarma Check Point	Joint Task Force		
10	"High Way Check Point	Mobile Police		
11	Damaturu In-Coming Check Point	Joint Task Force		
12	"By-Pass Check Point	Army		
13	"2 nd By-Pass Check Point	Police		
14	" Mai Sandari Check Point	Police		
15	"Out-going Check Point	Joint Task Force		
16	Welcome to Damaturu Anti-terrorist Squad	Mobile Police		
-	Check point			
17	Damaturu SUP	Police		
18	Kukareta Check Point	Army		
19	Ngamdu Check Point	Police		
20	TamsuKawo Check Point	Police		
21	Benisheik In-coming Check Point	Police		
22	Benisheik In-coming Check Point	Civilian JTF		
23	Benisheik In-coming Check Point	Joint Task Force		
	Benisheik Out-going Check Point	Federal Road Safety Corp		
24	"Out-going Check Point	Police		
25	Mainok In-coming Check Point	Crack Squad Check Point		
26	1st Federal High Way Check Point	Mobile Police		
27	2 nd Federal High Way Check Point	Mobile Police		
28	Jakana Check point	Police		
29	Jakana Station Check Point	Police		
30	"Out-going Check Point	Police		
31	Special Squad Check Point near Auno	Police		
32	" Police Check Point	Police		
33	Custom Federal Operation Check Point	Nigerian Custom Service		
34	Custom State Command Check Point	Nigerian Custom Service		
35	FRSC Check Point	Federal Road Safety Corp		
36	NDLEA Check Point	National Drugs Law Enforcement Agency		
37	CJTF Check Point	Civilian JTF		
38	Main JTF Check Point	Joint Task Force		
39	Immigration Check Point	Nigerian Immigration Service		
40	Civil Defense Check Point	Nigerian Civil Defense Corp		
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SOURCE: Field Work collected data.

HOW CORRUPTION WITHIN SECURITYCYCLE IS REFLECTED IN THE ECONOMIC CRISIS OF NORTH-EASTERN NIGERIA: (A Case study of Maiduguri metropolitan Borno State.)

The manner of which corruption entangled the whole operation against Boko Haram insurgency is a topic on its own, especially when critically examined the various crises that followed within the leadership of the Joint Task Force. At one points soldiers had open fire on their superior officers because their allowances had not been paid.⁹

This however had gingered the tempo of corruption within the security cycle. The Joint Task Force members therefore openly justified their legalization of corruption with view to have it as an alternative to their survival. This situation had created avenue to collect token amount openly along the way particularly from the commercial buses and above lorry and trailers that carries goods to the major cities of the region. From Kano to Maiduguri, a driver carrying commodities must at least spent not less than thirty thousand Naira (30,000), before he reached there. In addition to the above, many drivers avoided loading to Maiduguri because of the excessive checking and harassment by the security agents. Take the list of major security check points just between Azare to Maiduguri as a justification of a nagging route which many avoided and incidentally further aggravated the high prices of commodities in Maiduguri and other places in North-East region of Nigeria.

For instance trailers passing through the different gates must give out a token bribe ranging from 500Naira to 1000 Naira. The total amount when taken into considerations should be between thirty thousand (30,000) to forty thousand (40,000) naira as additional expenses compare to the initial company price of the commodities, and at the end all expenses would end up on the innocent consumer. This makes the prices foodstuffs and other commodities in Boko Haram affected area to face serious inflation.

In addition to that, it is also interesting to know that the price of transportation from either Kano or Lagos to North-East states particularly Maiduguri is sharply different compare to other states of the country. This is because of the insecurity and fear instilled in the minds of the drivers, especially the difficulty they faced in passing through the multiple gates like unnecessary harassment by the security agents. The situation continue to discourage drivers from going to insurgency areas especially Maiduguri because many of them had fell victims of the insurgents along the way. Major dealers and companies both foreign and local have also withdraw their branches from the area because several times their goods have been attacked and burnt down without any action from the government. B Gana Musa maintained: "The inability of the government to take a drastic measure in handling the situation has now put the Maiduguri people in a difficult situation where people in one country survive under different social and economic flat form due to the activities of Boko Haram insurgency." All these have contributed to the sharp increase in the prices of commodities in the insurgency area. Table 4 below indicates how the price sharply differed with the one on Table 2 which indicated the sharp shooting without recourse within few stipulated months.

The monopoly of Non-Governmental Organizations in the market forces have also contributed the crisis of basic commodities in Boko Haram devastated area. The problems of Internally Displaced Persons caused by the insurgency led to the presence of NGOs all over the north-eastern region of the country. According to J. Tahir not fewer than 70 different NGOs are currently operating in the Borno State along.¹¹

Among their primary objectives include distribution of relief materials to the IDPs which include foodstuffs and other commodities. Which according to economic experts led to the high demand of basic commodities. The monopoly of market by those NGOs had in no small measure contributed to the shooting of prices in the days of insurgency.

The implication of the above situation is that the major marketers prepare whole selling than retailing in Maiduguri. And consequences of all these is for the common to fall victim of such competition. This artificial inflation is general caused by the problem of Boko Haram Insurgency, unlike in the other parts of the country that are not being affected by the insurgency.

However as a result of all the above factors, it is clear to see that the current inflation in the prices of some commodities in Maiduguri are artificial, looking at the situation compounded by the number of above check points mounted by the security personnel deployed to contain the insurgency. This research paper therefore jumped at the below table indicating prices of goods for the months of July, August, September and October from Maiduguri Monday Market compare to the one in table 2 from Kano as a justification of the central argument of the topic.

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⁹ See Vanguard Newspaper July 8th 2014, P14.

¹⁰ B Gana Musa: Boko Haram activities in Maiduguri and its impacts on the economic lives of the people. M.A. thesis submitted to the Department of history University od Bakr Alrudah Sudan

¹¹ See LawanJafaru PhD theis titled: Social and Economic Repercussions of Boko Haram Insurgency University of Bark Alruda Sudan.

PRICE OF COMMODITIES FROM MAIDUGURI MONDAY MARKET.

TABLE 4

Month/year	Rice	Semovita	S/ghetto	V/Oil	Maggi	Sugar	Flour
July 2019 1st Week	30,000	3,800	3,700	3,300	420	18,000	12,500
2 nd Week	30,000	3,800	3,700	3,500	420	18,000	12,500
3 rd Week	30,000	3,800	3,700	3,500	420	18,000	12,500
4 th Week	30,000	3,800	3,700	3,500	420	18,000	12,500
August 1st Week	31,000	3,800	3,800	3,500	420	18,000	13,000
2 nd Week	31,000	3,800	3,800	3,500	420	18,000	13,000
3 rd Week	32,000	3,800	3,800	3,500	420	18,500	13,000
4 th Week	32,000	3,800	3,800	3,500	420	18,500	13,000
September 1st Week	31,000	3,800	4000	3,500	420	18,500	13,000
2 nd Week	31,000	3,800	4000	3,500	450	18,500	14,000
3 rd Week	31,000	3,800	4000	3,500	450	19,000	14,000
4 th Week	31,000	3,800	4000	3,500	450	19,000	14,000
October 1st Week	32,000	4,000	4,500	3,500	450	19,000	14,000
2nd Week	32,000	4,000	4,500	4000	450	19,000	14,500
3 rd Week	32,000	4,000	4,500	4000	450	19,000	14,500
4 th Week	32,000	4,000	4,500	4000	450	19,000	14,500

SOURCE: Monday market list of prices of goods Maiduguri, 2019

It is very clear from the compared two tables with different prices that insecurity have really contributed to the high prices of commodities in Maiduguri. Even though naturally even without insecurity, prices of Kano and Maiduguri must differ because of the transportation fare, but the differences have never in the history of transaction between the two commercial towns reach this particular level. It is therefore vividly agreed that the situation if not arrested can lead to further complications of different prices of goods which at the end shall fall on the innocent poor citizens.

III. CONCLUSION

From the above analysis, it is clear to understand that recession during the current Buhari administration, even though was mainly due to the economic crisis they inherited from the previous government, the above findings have indicated the role of artificial factors. This showed the role played by the general insecurity caused by the Boko Haram insurgency in the country especially North-East region. It is therefore arguable to contest that economic hardship can be created by insecurity. No government thus could overcome its immediate social and economic problems with insecurity around no matter what economic policy adopted. Recently the government is said to have gone out of recession, but yet still the prices of goods in the insurgency surrounded area are still high compare to other part of the country.

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