

## **National Security Challenges and the Changing Economic Relations: Providing Alternative Explanation for Current Economic Recession in Nigeria**

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### **Abstract**

*The study was carried out to ascertain the relationship between national security challenges and economic recession in Nigeria. The study use descriptive research approach. Findings revealed a continuous relationship between national security challenges and current economic recession in Nigeria. Crises of security created a decline in peace, and made the country economically unsecured nation. This led to loss of foreign direct investment, and in many cases out right closure of many business operations. The presence of real threat to national security increased security expenditure as well, thereby reduces government investment in other sectors to promote economic progress. The study also found out that the various national security problems such as Boko Haram, Niger Delta Militancy and Ethnic, religious crisis diverted the attention of government from exploiting other avenue for economic growth. It was also discovered that the over emphasis on military determination of threats of security with little attention to economic security causes economic vulnerability, hence recession. National security challenges have negative influence on economic growth and the wellbeing of the people. Based on the findings, it was therefore recommended that government should have a rethink on national security with focus on peace and economic security as well as overhauling the entire social structure. This will create conducive environment for foreign investments to boost GDP, create jobs and encourage small and medium enterprises in the country.*

**Keyword:** National Security, Economic Recession.

### **Introduction**

Until very recently, plethora of explanations on the crawling pace of development in Nigeria tends to pay little attention to the centrality of security to national development. Today, one of the major setbacks to development in Nigeria is national security challenges. Nigeria has been enmeshed in a fire box of insecurity that manifest in political mobilization, sectarian social movements, and increasing violence (Lewisi, 2007). Security challenge is the main issue threatening the sustainability of not only the economic sector, but the survival of Nigeria as a country or nation. In recent years, the security situation of the nation has taken an ugly turn with increased killing of Nigerians.

The news of crisis of security with indiscriminate killing by unknown gunmen in Nigeria has become a daily headline for the news media both domestic and international. Security therefore appears to have virtually collapsed as crimes become frequent (Onanugh, 2013). Over the past decades of nationhood, Nigeria has experienced a palpable intensification of insecurity characterized with sense of helplessness and paralysis (Jibrin, 2014). The return to civil rule in 1999 tends to have provided ample leverage for multiplicity of ethno-religious conflicts, the contemporary experience of Nigeria is unprecedented. Nigeria's socio-political life is very much characterized by one violent or the other. Thousands of life and unquantifiable properties have been lost to crisis of security in Nigeria; religious polarization, electoral violence, politically motivated protests, militancy in the Niger Delta, Biafran protests and the horror of Boko Haram Insurgency. All these threatened National Security. It is an established fact that security is development therefore, without development there can be no economic security. The security of any nation lies not solely or even primarily in its military capacity, but equally in developing relatively stable patterns of economic and political growth. Thus, the economic recession currently experienced in Nigeria seems to have been virtually perpetrated by the issue of national security challenges. This paper therefore seeks to explore the relationship between national security challenges in Nigeria and current economic recession. The paper relied on descriptive narrative with explanatory variant to analyze facts of the matter under discussion.

### ***Conceptual Clarification National Security***

National security is sacrosanct and non negotiable phenomenon in human society. It is a broad range of facets. This perhaps explains why the concept is often misunderstood and at the same time considered "elusive" (Carey, 2000; Wolfer, 1962). The concept developed mostly in the United State, of America after World War II, now encompasses all issues that impinge on the non military or economic security of a nation and the values espoused by the national society. In all places and countries, security has been considered as a first order value" worth preserving. However, scholars are yet to agree on the definition of the term "National Security". This is not surprising because, the phenomenon of security is hardly precise; thus, it is crosscutting and multidimensional, making it the subject of intellectual exercise and debate. As a social science concept, it hardly lends itself to common understanding in terms of universally acceptable conceptualization. This however does not ignore the great attempts made by scholars to situate the concept in workable and operational discourse. We will consider some of the understandings associated with national security for proper analysis of the paper's line of thoughts. National security is the requirement to maintain the survival of the state and the creation of enabling environment and the protection of the citizen's rights. The above position aptly captured the view of Babangida (2011) who considered National Security as not the only physical protection and defense of the citizens, the territorial integrity of the Nation, but also the promotion of the economic well being and prosperity of Nigerians in a safe and secure environment that promotes the attainment of our national interests and those of the foreign partners. Tadgbaksh (2008) conceived national security to include critical dimensions such as economic, food security, health security, environmental security, personal security, community security. Braithwaite (1998), defined national security as "the ability of a nation to protect its internal values from external threat". Lipman cited in Braithwaite (1998) defines it by stating that "a nation has security when its does not have to sacrifice its legitimate interest to avoid war and is able if challenged, to maintain them by war". Morgenthen (1984) posits that national security and national interests are inter-related, where the former are seen in terms of power and therefore is the essence of politics. From the various conceptualizations above, the study concludes that, it will be more encompassing and balanced to regard national security as not only embodying the sovereignty of state, the inviolability of its territorial boundaries, and the right to individual and collective self-defence against internal and external threats; but it is obvious to state clearly that the state is secure only when the aggregate of people organized under it has a consciousness of belonging to a common sovereign political community, enjoy equal political freedom, human rights, economic opportunities and when the state itself ensure independence in its development and foreign policy. In this case, national security is more than territorial defence. This is because today thinking of national security goes beyond military perception, to include (1) focus on the physical, social and psychological quality of life of a society and its members. (2) Domestic setting within larger regional and global system. (3) Policy making and implementation (4) creation and promotion of democracy (5) reconciliation and consensus building. All these suggest that national security is positively correlated with the increase in the distributive capacity and genuine democracy that actualizes, "the quality and well-being of a society.

These are pre-conditions for security, which Almeshat, 1985) considered as “the ability of a democratic state to provide its citizens with social, economic and political conditions germane to happiness and relative prosperity. Arising from the above, is a contention between national security and economic conditions of a state. This is because, the economic development status of a state defined (1) problem of national security (2) individual freedom (3) power balance (4) fundamental human rights and civil liberties. From the foregoing, the study agreed with other scholars that, national security does not just mean security from external and internal attacks, but also involve how government governs, how media reports are affected, whether citizens have food to eat or not. Put it clearly, national security guarantees peace and stability, which, defined economic development. But it is unfortunate of recent Nigerian has experienced very unstable peace, which found explanation as one of the intervening variables in the economic recession

### ***Economic Recession***

At this point, the study would like to attempt a working definition of economic recession. A general knowledge of recession is understood to mean a general downturn in any economy. A recession is associated with high unemployment, slowing gross domestic product, and high inflation. It is less severe than a depression. According to Pat Utomy (2017) economic recession is typically defined as a decline in Gross Domestic Product (GDP) for two or more consecutive quarters. GDP is the market value of all goods and services produced within a country in a given period of time. A recession is usually underway when there are several quarters of slowing but still positive growth. Often a quarter of negative growth will occur, followed by positive growth for several quarters, and then another quarter of negative growth. Mckinney (2013) corroborates the above definition as he conceives economic recession as a period of general economic decline and is typically accompanied by a drop in the stock market, an increase in unemployment, and a decline in the housing market. As noted economic recessions are caused by a loss of business or consumer confidence. As confidence recedes, so does demand. This is the tipping point in the business cycle where the peak, often accompanied by irrational exuberance moves into contraction. This loss of confidence makes businesses and consumers stop buying and move into defensive mode. Once a critical mass moves toward the exist sign, panic sets in and creates a destructive downward spiral. In this order, mass layoffs and rising unemployment, which create a slowdown in retail sales occur, thus, make manufacturers cut back in reaction to falling orders, further increasing layoffs. From the above analysis economic recession is destructive. It creates wide-spread unemployment. Today, many people lose their jobs and cannot afford to live a decent life.

### ***Economic Recession in Nigeria***

The Nigerian economy plunged deeper into recession as gross domestic product (GDP) contracted 2.24 percent (year-on-year) in real terms in the third quarter of 2016, from 2.06 percent from the previous quarter. Real GDP for the third quarter stood at about N1.78 trillion, (NBS, 2017). The NBS further explained that the contraction of the economy in the third quarter was lower by 0.18 percent points from the preceding quarter. The agency said the figure was also lower by 5.08 percent points from the growth recorded in the corresponding quarter of 2015. Details of the report showed that aggregate GDP, in nominal terms at basic prices, stood at about N24.3 trillion. Nominal GDP grew by 9.23 percent. This growth was higher relative to growth recorded in the third quarter of 2015 by 3.22 percent points. A review of the sectoral performance of the report showed that during the period, the Nigerian National Petroleum Corporation (NNPC) said the country’s oil production capacity averaged about 1.63 million barrels per day (mbpd), lower from the figures in the second quarter of 2016. Consequently, the report said the real growth of the oil sector slowed by 22.01 percent (year-on-year) in third quarter of 2016, representing a decline relative to growth recorded in same quarter of 2015 at 1.06 percent. The proposition from the above is that economic recession experienced today is as a result of the security challenges. Statistics have also indicated that in the last one year, there is a significant decline in peace as Nigeria dropped four places to 146th out of 158 countries in the 2012 Global Peace Ranking. In fact, Nigeria has been identified as the least peaceful country in West Africa (GPI, 2012). West Africa is among the most unsecured region in the world and Nigeria is the most unsecured country in the region as it has consistently ranked high among the countries in West Africa. On the contrary, Ghana a neighbouring country to Nigeria has consistently ranked low and is taken as the most peaceful country in the region.

### ***Implications of Economic Recession on Economic Development***

The implications of the Nigeria insecurity situation for economic recession cannot be overemphasized. We contend that when there is wide spread insecurity, it could affect business investment, the entire business organization or some aspects of its operations which include production, marketing, finance and human resource (H/R), are affected negatively. The implication of the insecurity situation in Nigeria for economic recession is viewed from two broad perspectives of potential investment and the perspective of existing enterprise. Potential Business Investment Insecurity discourages investment as it makes investment unattractive to both local and foreign investors in the country. This is because the cost of doing business either through direct loss of goods and properties or the cost of taking precautions against business risks and high. These costs have a negative impact on economic development and progress. World Bank on investment climate in nine African countries in which it was found that 29% of business operations in Africa and 36% in Nigeria perceived insecurity as a major constraint on investment. This situation affects FDI. This is because Nigeria is considered high risk zones due to the high level of uncertainty about the safety of investment and live of the managers and their staff. The Nigeria insecurity situation 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 ride 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. Security and development are also related in the sense that being a public good, the imperative to maintain security competes with other public goods such as education, health and infrastructure for public funds. Insecurity therefore, becomes a drain on local and national resources at the expense of development and peoples' well being thereby, having adverse consequences on economic growth and development. Thus, in the absence of any real threats to security, expenditures on security can be reduced significantly, allowing national and local government to channel more resources to other public goods to improve the quality of life of the people. In addition, insecurity destroys existing infrastructure and also prevent an environment for the development of further infrastructure; and a safe environment for economic activities by individuals to give them economic empowerment that will enable households not only to cater for their present generations but also to provide for future generations.

### ***National Security and Economic Recession***

The major flashpoints of national security problem involve the ethnic militias, crisis in the Niger Delta, ethno religious crisis in the north, and the current phenomenon of Boko Haram terrorism. The unrestrained attacks on individuals and institutions of government by the Haramists, and oil theft, bounding of oil installation by the Niger Delta militants are responsible for national security challenges. The phenomenon of militants that threaten national security exists in different parts of Nigeria. Some of these groups include Oodua People Congress (OPC) the Arewa people's and the various groups agitation for resource control in the Niger Delta (Ismaila, Danjuam).

According to Nigerian daily news, in terms of finance and investment, through direct and indirect loses are unquantifiable, a World Investment Report (WIR) of the United Nation. Conference on Trade and Development (UNCTAD), estimated that the domestic economic lost a whopping N1.33 billion Foreign Direct Investment Owing to National Security Challenges. The nation also suffered economically as many investors left the country following threats to national security. Thus, FDI flows to Nigeria fell to \$6.1 billion (N9.33 billion) in 2010, a decline of about 29 percent from the \$8.65 billion (N1.33 trillion), released in 2009 revealed that the sharp decline of FDI to the country, was compounded by drawback of investors. Another statistics obtained from the 2010 Annual Report by the Central Bank of Nigeria (CBN) showed that the total foreign capital inflow into the Nigerian economy in 2010 was \$5.99 billion. The record showed that FDI represented about 78.1 percent drop from \$3.31 billion in 2009 (Daily Sun March 05, 2012). It should be noted that the above loss would have contributed to a sound, stable and robust economic growth, increased per capital income and enhanced quality of life of the people. The pursuit of national security policy that will enhance the security posture of any nation is necessary so as to bring about social, political and economic development. It has been recognized that an effective national security system is capable of promoting peace and economic progress of nation (Olanrewaju, 1990). But, in all, the argument here is that problem of national security affects Nigeria's external relations, on international economic relations as well as on economic development of Nigeria, which created the conditions responsible for today's economic recession.

It is almost received wisdom that, national security challenges increased the rate of GDP fall when national security risk is high, the possibility of economic recession is high. Three reactions explained in this study are bound to occur.

First, decline in FDI, (ii) much money is allocated to internal security to the detriment of economic growth sector. (iii) The situation also increases economic crime. All these play out in Nigeria to cause recent economic recession. From the analysis above on there is no doubt that the current situation regarding economic recession in the country has significant relationship with problem of national security. This is because, the strategic path of national security has not brought us to a consistently secure economic place for the citizens. Waever (1995) captures this sort of problem through his helpful notion of securitization which addresses the interesting question as to why some issues rather than others are considered to be problem of security. His point is that when issues like tribal conflict, religious crisis, Boko Haram terrorism, Niger Delta Militancy etc are assigned this status, they acquire extra significance, which can legitimize the mobilization of resources and the adoption of urgent and extra ordinary measures, in our national security strategy. Revisiting the Concept of National Security: Panacea for Explaining Economic Recession in Nigeria Following from the foregoing analysis, the issue of financial crimes is either not included in addressing national security or treated with kids gloves meaning that, when matter of economic crimes come up, it is not securitized. Thus, problem of National Security in Nigeria lies in self-defeated dangerous doctrine of illusionism and militarism. The non-reconceptualization of national security to confirm with people's economic well-being significantly affects the output growth of the country. The vested interest in the military and the government, in the concept of "National Security" from military perspective informed budgetary allocation that is too detrimental to other economic sectors. For instance, and more importantly, official statistics provided by the Central Bank of Nigeria from 2000 to 2011 lend credence to fact that national spending on security is economically unsustainable. For instance, defense and internal security spending for 2000 were approximately N34 billion. Considering the deplorable security in the country, the budgetary provision rose astronomically. This budgetary allocation for security in 2006 was N202.2 billion. By 2010, the nation spending on security amounted to N229 billion. The fact from the above is that from 2000 to 2011, huge budgetary allocation to defense and internal security diverted attention of government from exploiting other avenue for sustainable economic growth. No wonder we are today going through economic meltdown.

To a greater extent, the much attention given to internal security especially the terrorist tendency of Boko Haram has serious and wide implications for economic recession in the country. The situation impinges on development objectives. The country as it is caught up in the web of organized crimes. As carefully remarked by Kia (2008), Nigeria cannot be insulated from the ripple effect of the illegal activities of criminal syndicates who indeed have their ways following the wrong perspective and approach to national security. Indeed, the way in which national security is poorly addressed remains linked to the economic change currently experienced today in Nigeria. In this case, there are three distinct issues here. First, national security problem, poor strategies planning are the most fundamental to economic recession. This has to do with illegal oil bunkering. The position of oil to the Nation's GDP is undisputable. Therefore loss of revenue through illegal oil theft obviously causes a downfall in the GDP, which by extension is responsible for economic recession. Although there is a challenge of arriving at agreeable figures of what is the real monetary cost of bunkering, but what this loss meant, indirectly is reduction in the financial ability of the government to meet the people oriented and economic development programmes. At this moment, crisis of security in the country makes the nation in capable of developing capacity to provide the country with secure economic channels that will prevent situation susceptible to economic vulnerability such as illegal bunkering Because of current recession, Nigeria cannot use her economic instruments as a way of attempt to influence the economic behaviour of strategic partners. The dollar crisis best explain and attest to this fact. It is for this, that, National Security policy should encourage measures designed to reduced its vulnerability to economics influence attempts and perhaps, to enhance its capacity for exploiting the vulnerability of others. Unfortunately, the national security conception by the Nigeria state seems not to go beyond the military determination of threats. This is why the government before now, gives less attention to the economic security of the citizens even as the root causes of insecurity are economic in nature. With little regard to the fact that national security embraces all measures, including designed to safeguard the resources of individuals or groups. This explained why Prabhakaran (2008) defines national security as "the measurable state of the capability of a nation to overcome the multi-dimensional threats to the apparent well-being of its people and its survival as a nation state at any given time, by balancing all instruments of state policy through governance that can be indexed by computation, empirically or otherwise, and is extendable to global security by variables external to it.

The understanding arising from Prahbakaran's contention is that National Security is an appropriate and aggressive blend of political resilience, human resources, economic structure and capacity, technology competence, industrial base, availability of national resources and of course the military might.

None of these elements are considered in our national security exploit. The worst is that rather than protecting the resources of the nation our security apparatuses lacks policies that will discourage transporters crimes. Evidence that economic crimes are thriving in Nigeria suggests lapses in our national security strategic. Today corruption, and money launderers are celebrated in Nigeria. The huge sum stolen from the national treasury is obviously responsible for the current economic recession. This fact is consistent with established result that poor national security strategic created predatory lapses for corruption and other forms of economics crimes to thrive. This study confirms such relationship. It agrees with the findings of Adewale (2011), whose work established a strong significant negative relationship between economic crime and output growth in Nigeria. Using such econometric parameters of variables such as Gross Domestic Product (GDP), Gross Capital Formation (GCF), Money Supply (MS), Public Domestic Investment (PDI), bank fraud as explanatory variables concluded that lack of economic security has a crowding-out effect on growth, the basis for economic recession. The fact here is that there are intrinsic linkages between ineffective national security approach and economic crimes with multiplier effects on economic growth. Illicit financial flows, due to poor national security strategic, are a pervasive phenomenon. By this, national security problems are underlying structural factors that encourage the illicit outflows of capital from the country. This situation starves the country economic system of resources for development.

### **Concluding Remarks**

Attempt has been made in this study, to investigate the link between national security challenges and economic recession. From the analysis, the study proved indeed, that there exists a significant relationship between national security challenges and economic recession in Nigeria. The study therefore concluded on a note of warning that unless government addresses national security problem from a holistic perspective, economic recession will continue to persist and the lives of Nigerian's would be made miserable. It is therefore recommended that government should have a rethink on national security will focus on peace and economic security as well as overhauling the entire social structure to create conducive environment for foreign investments to boost the nation's GDP, create jobs for the unemployed and encourage small and medium enterprises in the country. All these will stimulate economic growth.

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