

## The Economic Implications of Terrorism in Developing Countries: Nigeria in Focus

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### Abstract

The evil consequences of terrorism in our contemporary states have left so many countries of the world in a very serious economic crisis. The 9/11 terrorists attacks on the United States of America has changed the face of terrorism forever, especially to policy makers, academics and to publicists, leaving the human communities much more vulnerable than ever before. Worse hit are such countries with unstable governments most of which are in Africa. This paper examines the economic iniquitousness of terrorists conditioning in developing countries; particularly in Nigeria. The study adopted a historical method of data collection with a complete reliance on secondary data sources as obtained from books, magazines, academic journals, newspapers and the internet. The paper reveals that terrorists' attack had adversely affected the economies of developing countries; particularly, the Nigerian economic environment as it had drastically downshifted Foreign Direct Investment (FDI), the killing and maiming of unarmed citizenry who would have formed a formidable workforce for economic progress. The paper suggests that, economic activities can only thrive in an atmosphere of peace and tranquility, to that extent therefore, the government need to strengthen its collaborative efforts with her neighbours and other development partners across the world to curb the activities of the terrorists.

**Keywords:** Terrorism, economic implications, developing countries

### Introduction

Terrorism has transmogrified into a major factor, especially, in the disruption of global economic activities. The destruction of world trade centre in 2001, September 11 that brought to the fore the annihilation of properties, leaving many innocent people dead and others injured, was a bushwhack on world's economies and its negative effect is still very much afresh in the minds of many around the globe. The unlawful killing of men, women, children and the destruction of public and private properties as well as injuries absorbed as the end products of terrorism, causes a very high significant economic derangement. The hostile economic implications of terrorist assaults in countries that are seemingly at slow stage of developing the nation's transformation, particularly in Nigeria, affects both individuals and the society at large. The proximate economic cost of terrorism in Nigeria as the focus of this paper, can be measured in terms of the value of lives lost, the disabilities that were sustained from the injuries and the decimation of public and private properties. Apart from the proximate implications, terrorism reproduces disruption in the larger economy that may appear in days, weeks or even months after the terrorists attack. It pulls a huge defect on the expected positive effects of economic manifestations that are real, investment, consumption and tourism and this is a very big positioning of serious threat leading to set backs on the prosperity of our father land.

Terrorism modifies economic behavior by revising primarily, its changes in negative terms, the pattern of consumption, the diversification of both private and public resources meant for production, far away from productive parastatal or ministries into Securitization measures, inclusive of investment patterns that unfortunately declines far below expectations; for example, this involves exactly where the Nigerian government will always present a budget to the apex legislative chamber in which the budgetary allocation to defence is almost ten times higher than that of any other productive ministries and parastatal. A formerly peaceful country (Nigeria) suddenly waxed into safe abode for terrorists and their activities to flourish. No nation of the world can make any valuable progress in their economy with the illegal presence of terrorist groups ravaging economic activities within such states. Studies have shown that terrorism and terrorist activities has, in many ways, disrupted productive economic activities of the global economies. The foreign direct investment in any country is one of major economic developer which only can operate more effectively, efficiently and even productively in a peaceful country's environment (the former state of Nigeria), where association with suicide bombers, kidnappers, killers, bandits, abductors (terrorists) is at an infinitesimal of positive consequences.. This therefore explains the actual reason why so many foreign owned businesses are no longer functional in Nigeria and it also indicates why some multinational co operations relocates their headquarters from Nigeria to other seemingly peaceful African countries. On daily news broadcasts, newspapers, magazines and other news channels publication, the Buhari led administration had repeatedly exhibited to the world that they are seriously countering and winning the warfare contra terrorism but in reality, such fight has not actually produced good fruits due to the politicization nature and patterns of the cruel acts.

The huge financial allocation to defence and the military has been mismanaged by some top military personnel and politicians. This has incapacitated the soldiers, particularly the soldiers who are on the front-lines. Thus, the way and manner the Nigeria government is going about the prosecution of the war on terror has in itself impacted negatively on external image of the Nigerian state in the international system, (Eseoghene & Efanodor, 2016).

**Statement of the Problem**

Terrorist besets in developing countries of Africa and other continents have been generally recognized as a major road to further under develop the already underdeveloped countries. Just as civil conflicts are very costly to manage, the management of terrorism is highly financial intensive. At this very time, terrorists creates negative consequences in the country's economy, results being that there will be minimal or no foreign investors who would really want to undertake any form of venture of plugging their hand earned money into such a country's economy and off-course, this will consequently inhibits capital entries into the nation's monetary system. When directly, foreign investment is restricted due to terrorist activities, the country's economy is adversely affected. Almost the entire diplomatic communities currently faced with dominant threat of insecurity, although the degree of insecurity varies from one country to another. Terrorism in Africa has not been spared either putting into account its lack of well organized counter terror measures. Indeed; at some points, terrorism has become an economic commodity in a country like Nigeria where the political class of the society has rebranded terrorism for profit making purposes. The emolument of huge sum of money paid in millions of dollars to kidnapers as ransom, reduces the availability of cash in the economy, it depletes productive abilities and in turn grossly affects the country's Gross Domestic Product (GDP), as even supposed locally made goods and services are not functional.

Since terrorism began emerging in Nigeria, the Nation's economy grew in every quarter of the year. Apart from the adverse effects terrorism have on foreign direct investment, as it scared away direct foreign investor from coming to our country due to insecurity; terrorism also affrights away producers in productive/manufacturing industries.. In some areas of this country, precisely the north geopolitical zones of Nigeria for example, local farmers are fearful of going to their own farms to either cultivate or harvest. Workers who are to travel some distances before getting to their place of work are now not willing to do so because of the recent counts of kidnapping on the highways by terrorists. The Kaduna highway kidnapping events by some said bandit is a reproduction of economic slowdown; the abducted passengers on the train are people going for one economic activity or the other. The continued direct inhospitable effects of terrorism on the general wellbeing of the economies of states are most worrisome. According to Gaibulloev & Sandler, (2011), terrorist activities create economic wide risk and uncertainties that distort the equilibrium resource allocation within a country by changing individual's savings, investment and consumption behavior. Moreover, this risk and uncertainties effects also leads to the redirection of foreign direct investment (FDI) away from the country where terrorists successfully operating.

It is necessitous therefore to assert clearly that the government of Nigeria, particularly the Federal government, have in one way or the other made some necessary endeavors to counter the most generally recognized terrorist group in Nigeria called Boko Haram but the Nigerian government endeavors to fighting and winning Bolo Haram sect are of inconsequential effect due to the politics (politicization) now involved in the process of adopting measure terminate of any terrorist group. Nigerian government efforts to counter terrorism became more well articulated when they have gone for negotiation and ransom of hundreds of millions dollars has been received. The present political and administrative dispensation in Nigeria, could almost win award in their tactics of having is very good negotiation processes with terrorists. The hundreds of millions paid as ransom by Nigerian government, corporate bodies and individuals could have been used to invest in productive sectors of the economy, leading to job creation and rise in standard of survival. There could never any nation of the world that can do well economically in the midst of terrorist attack on her citizenry and non citizenry.

The citizens of any independent nation like Nigeria are the economic 'base' of the state, they are all involve in divergent economic activities that results in growth and development of the economy. The attack on some Nigerian citizens in Owo church attack recently by some terrorists groups is an indication of a threat to the economic growth and development of the Nigeria, without the people, no country's economy can grow. Also, no meaningful development and indeed economic activities can thrive in times of emergencies and conflicts such war situations like terrorist activities and the Covid-19 pandemic presented, (Efebeh, 2020). In both situations, normal every day activities human activities are disrupted and brought to a halt.

## Literature Review

The effects of terrorism are evident around the world in the massive destruction of property, human life, and the automatic deportation of persons (citizens) from their homelands, while others are injured among other things. The aftermath of the terrorist attack has also had far-reaching effects on the country's economy, foregrounding the financial crisis and the demolition of manufacturing facilities. The most important finding here is that terrorist attacks have a very severe negative impact on the economic growth of affected countries, because both public and private enterprises, lives and even the reputation of the economy of such countries are attacked. In light of the above, the following references are reviewed here.

### Overview of Terrorism and Conflict Related Issues

A meaningful discussion of the economic impact of terrorism in developing countries, particularly Nigeria, requires a clear perspective on how to conceptualize the phenomenon under study. There is an urgent need to clearly state that there is no point. Scholars defined and explained the concept from their own perspective, so terrorism for Western scholars may not be the same for scholars from other parts of the world, particularly the Middle East and Eastern Europe. In a way that adopts the official and policy-relevant definition of terrorism used, specifically, as defined by the United Nations (UN) and the US Department of Defense. This definition defines terrorism as "the unlawful or threatened use of force or force against persons or property for purposes of coercion or intimidate governments or societies, often to achieve political, religious or ideological objectives Kim and Li, (2011, p.5).<sup>2</sup> This official definition highlights at least five major components that should be present for any activity to be classified as terrorism: (i) violence; (ii) political, ideological, or religious motivation; (iii) presence of perpetrator(s); (iv) effect on victim(s); and (v) target audience(s). The above mentioned five constituent components seem to be in all way amongst all the dreadful exertions confirmed independence of Nigeria. Because the economic impact of conflict, civil wars, rebel movements, and terrorism are closely related (see Baraga, E. M

(2016), a lot of insight could be taken gleaned from conflict related studies.

An interesting study examined the spillover effects of conflict on neighboring countries in Africa and found that negative and positive spillover effects from conflict depended on whether the neighbor was directly infected with the conflicting country or was not infected with the conflicting country. Both ripple effects have been found. Dauda (2014) uses a wider sample of countries to show that the economic impact of military spending is negative in the short term and depends on the country's income level. Among these competing official definitions of terrorism is that of the Federal Bureau of Investigation. Terrorism in its broadest sense is the use of force and fear to achieve ideological goals. The term is thus used primarily to refer to deliberate violence in peacetime or in combat against non-combatants, primarily civilians and neutral military personnel. Farre, (2012). The terms terrorist and terrorism originated during the French Revolution in the late 18th century, but came into widespread use internationally, gaining global attention during the Northern Irish and Basque Wars of the 1970s. . An increase in the use of suicide attacks beginning in the 1980s was marked by the September 11, 2001 attacks in the United States. In this attack, terrorists attacked the South Tower of the World Trade Center in New York City,( Aria W Kruglanski (2006).

To scholars, terrorism is the random and deliberate killing of innocent people, instilling fear in entire populations and forcing political leaders to act. In examining the relationship between terrorism as a vice of violence and foreign direct investment, he argues that terrorism is a major factor in adversely affecting foreign direct investment in any country, and that for him terrorism is usually diplomatic. Instead, I discovered that foreign investors would flee from all countries carrying out politically motivated terrorist attacks. In a separate effort, the U.S. Department of State has defined terrorism against targets not involved in combat, usually by deliberate tactics carried out by covert agents with the intention of influencing an audience. In an address to the United Nations, Archbishop Silvano Tomasi, Permanent Observer of the United Nations Holy See in Geneva, said: Terrorist attacks destroy human rights, political freedoms and the rule of law.

Terrorism is the opposition to shared values and commitments that underpin peaceful coexistence at home and abroad. The above brief overview of the importance of terrorism illustrates the fact that terrorism is both extremely destructive and extremely dangerous. A nation's economy can never thrive and flourish in such a tense terrorist environment. The International Monetary Fund (IMF) has expressed concern over the deteriorating security situation in Nigeria, which has He emphasized that this is one of the reasons for the sluggish GDP figures. It also cites other near-term downside risks. China (2022)

To contain inflationary pressures, the Central Bank of Nigeria recently raised interest rates by 150 basis points to 13%. In terms of the economic outlook, GDP growth is projected to be 3.4% (y/y) in 2022, but inflation is expected to remain high. The consolidated government budget deficit is expected to remain high at 6.1% of GDP. This is largely due to costly gasoline subsidies and limited tax revenue. "The short-term downside risks stem from a further deterioration in the security situation, elections, low Covid-19 vaccination coverage and rising global interest rates. A strong recovery and continued expansion of growth, the launch of the Dangote refinery and decisive revenue mobilization measures in line with the Strategic Revenue Growth Initiative (SRGI) are likely to drive inclusive growth and development . "The IMF mission would like to thank the authorities and other partners for their open and thoughtful discussions and excellent cooperation," she added. IMF 2022

### **Boko Haram Insurgency in Nigeria**

The Boko Haram insurgency has put Nigeria in the face of a massive attack that has undoubtedly resulted in the deaths of many Nigerians and the destruction of valuable property. It has been described as the deadliest and most destructive terrorist in the world, both in terms of ferocity and blatant disobedience to the principles of peace and stability (Punch Newspaper 2015:8). The cult has unleashed fear, tension and terror in the minds of all Nigerians, leaving the international community unaffected. Dawda, M. (2014), Boko Haram as an Islamic fundamentalist group, Engaged in jihad and Islamization of the Northern provinces, and possibly the conquest of the entire country by jihad. In the sectarian stronghold of Borno, sectarian attacks resulted in the loss of many lives and property. On January 28, 2011, all Nigerian National Party (ANPP) gubernatorial candidate and engineer Modu Fannami Gubio and six of him, including his Alhaji Goni Modu Sheriff, brother of the then governor of Borno State, were killed by gunmen. (The Nation Newspaper 2011:15). Their activity began in July 2009 with clashes with Nigerian police.

According to Okpaga, (2012), an investigation by the Nigerian police based on reports that the group had been armed to wage jihad against the state led to deadly clashes between the two groups (Okpaga, Chigiote, Innocent (2012: 82-85). " is focused on other civilians who consider the August 26, 2011 attack on the United Nations building in the Nigeria capital of Abuja, which grabbed the world's attention, marked a departure from Boko Haram's traditional targeting of government agencies and, indeed, Pktarget's change. (Akande 2012: 1).

Some of the detailed elements of Boko Haram are linked to foreign extremist groups, including al-Qaida in the Islamic Maghreb (AQIM) based in North Africa. there is evidence that there is At the same time, Boko Haram remains firmly focused on issues within Nigeria. Whenever their spokesman claims responsibility for an attack, he points to state grievances that do not resemble Al-Qaeda's ideology increase. The cult has always claimed to be focused on attacking government officials who have misused state funds, so there have been numerous instances of attacks in different parts of the country.

### **Bolo Haram Attacks; poverty Rate in North-East Nigeria**

The World Bank has made expressions notifying the general public about the upsetting rate of poorness in states in the North-East geopolitical zone of Nigeria, noting that extreme climate serious problem and conflict have reduced its development with poorness rates in the area as high as 70 percent. A recent report titled, 'The Lake Chad, a Regional Economic Memorandum: Development for Peace', released by the World apex bank on Monday showed that the North-East and other areas around the Lake Chad (bowl/area drained by a river) are badly troubled by low workers and poor access to basic services. It said in the thirty years, money-based activities and household incomes have decreased by upsetting proportions, leaving the area falling behind in (related to how much money and power people have)

development. Communities near the lake are falling behind compared with the (related to how much money and power people have) standards in other parts of Cameroon, Chad, Niger, and Nigeria, which are already (not doing a good job) compared with other developing (processes of people making, selling, and buying things) worldwide. The report explained that in Nigeria's North East, which flanks the lake to the southwest, poorness rates are guessed (number) at over 70 per cent, almost double the rate in the rest of the country. It watched/followed that poorness rates in Adamawa and Yobe States are as high as 74 per cent and 70 percent (match up each pair of items in order), nearly twice as high as the rate in the rest of the country (38 per cent), saying that part of the gap is likely the result of the terrible and destructive hit/effect of the Boko Haram conflict in Nigeria's North East. It explained that due to the activities of the Boko Haram terrorists in the area, about 2.7 million people had been displaced while 12.8 million people need people-helping help, with North-East of Nigeria badly affected.

The report also watched/followed that food (state of not being safe/source of mental worry) is an increasing concern in the area, saying that between 2014 and 2019, the number of undernourished people found in northern Nigeria was five million. The report showed/told about that only 59 per cent of Nigerians have access to electricity, stressing that the national average rate of access to electricity in Cameroon, Chad, Niger, and Nigeria is 62%, 8%, 14%, and 59% (match up each pair of items in order), compared to a guessed (number) 20%, 2%, 10%, and 38% in the Lake Chad area. The decline in money-based activity in the northeast is a major money-based handicap for Nigeria's economic progress and development (the ability to keep something around, or keep something going). The World Bank claims that the destruction of the Boko Haram fighting against authority led to a serious money-based problem in northeastern Nigeria. (many-sided/with more than two countries' input) (services businesses/government units) have recognized that money-based trouble(s) and other activities in the Lake Chad area of Adamawa, Borno and Yobe have (lowered in number/got worse/gotten worse) significantly from a reasonable rate between 2009 and 2013, and northern Nigeria. Marco Hernandez, senior money-flow expert at the World Bank and co-author of the report, released the 2018. Given other factors that were happening at the time, such as (related to the air outside) problems, there are huge costs that can be very helpful.

Looking at the hit/effect of Boko Haram alone, there are two messages that need to be given special attention, as they are once again separated from everything that is happening in the area. One is money-saving and the other is money-saving. Activity is (lowering in number/getting worse), and the fast decline in money-based activity is becoming more well-known/obvious year by year. In the early days of Boko Haram, it was 10-14% of the decline in money-based activity, but as we approach 2022, the percentage of money-based activity and working well and getting a lot done is become more of high value. Boko Haram affects not only places where attacks happened, but also has ripple effect on the entire system. Also, for growth in the area, banks called for increased trade, improved (basic equipment needed for a business or society to operate) to deliver products (that are bought and sold) and services to people, and better authority and control and management of valuable things from nature. Whenever unrest comes to a reasonable end/end result that the Lake Chad area is (not well developed) and (not well developed), we believe it is extremely important to help (accomplish or gain with effort) this in order to break the times.

### **Terrorism and Economic Growth**

Terrorism has become a major impediment to economic growth and development in most African countries. According to Efebeh (2022), the African continent has recently become associated with terrorism and their heinous activities, and the countering measures on them. To him, this order can be traceable to the post- 9/11 era, when terrorist organizations and their deadly activities on the continent surged beyond comprehension such that has made the continent the epic centre of terrorists activities and the fight against it. This resulted into killing and maiming of innocent people across the continent, and the abduction of mostly female school children, as illustrated by the Chibok and Dapchi schools attacks in Nigeria. Terrorism has the ability to act as impingement on financial markets, such impediments includes rapid withdrawals from financial system, increased uncertainty, and distractions from potential investors, (Ibrahim & Slyman, 2018). According to Shahzad al (2016), terrorism reduces indigenous and transnational investment, limits business and market operations, puts the nation's in economic and market isolation, access to international markets, state-of-the-art technology, international It may limit research cooperation.

The country will be greatly frustrated with its backwardness. Terrorist's exertion has very bad effects on the frugality of the whole country and directly affects innovation, but it increases military spending because it is the military that fights terrorists. Transnational Direct Investitures inflows can have positive impact on entrepreneurship and boost a country's overall innovation rate Kim and Li (2014) found that the inflows f mm multinational investment states that the monetary based activities(economy) is critical to business practices and to optimizing the latest gains, (Jamie and Jill (2020). For him, the competence to innovate is an essential trait of an entrepreneur. Also, transnational direct investment inflows have shown positive effects on entrepreneurship and entrepreneurial activity, which can have a indispensable positive consequences on the country's overall innovation rate and lead to economic prosperity. , Unfortunately, terrorism brings uncertainty and adversely affects financial markets and investment inflows, which will remind any multinational or local investors to discontinue their investment in such country's economic space.

In fact, a terror assail on humanity is an emergency which the federal government is still to resolve. The negative consequences of terrorist activities on Nigeria's economic system has shown in the low capacity development and increase in job cut and thus high unemployment rate. Terrorist attacks affect almost every production sector in the Nigerian frugality. Food production through the agrarian sector is another area where terrorists are paving the smooth path to producing Nigeria's economic handicap. The resulting terrorist attacks on farmers in north east and other regions of the country, has led to food insecurity, and farmers can no longer go to farms for economic cultivation, gains or harvest of farm produce. The elimination of terrorist and terrorists activities from the Nigeria space, would mark a turning point in the annals of the country and thus lead to the revitalization of Nigeria's economic and social lives. Therefore, there is an urgent need for the Buhari led administration to take more proactive measure in combating terrorism, thereby enthroning tranquility and thus create an enabled environment for businesses to thrive.

## The Economic Cost of Terrorism in Africa

According to the outcomes acquired from a research completed through the Institute for Economics & Peace (IEP), the worldwide financial influences of terrorism became expected at US\$52 billion in 2017, and the financial and possibility prices of terrorism have been 2008.four The decade on account that 2014 Nevertheless, the financial implications of terrorism has declined gradually over the 3 years on account that 2014, with worldwide GDP in 2007 reaching \$108 billion, 0.five% of worldwide GDP in 2016. did. It isn't which includes the prices associated with countering terrorism, stopping and fighting extraordinarily violent in its extreme ends, or oblique prices to businesses. The transnational financial influences of terrorism have 3 peaks, 3 large Ts. Corresponds to the mistake wave. The terrorist assaults at the World alternate middle in New York, September 11, 2001 and Washington, D.C. led to many deaths and assets lost of over US\$73 billion and had a substantial financial effect.

This does now no longer consist of the oblique value to the fundamental US economic system, expected at 0.7-1% of US GDP, or greater than \$one hundred ninety billion. This surge became attributed to the conditioning of AL-Daedalus-affiliated terrorist companies and coincided with the build-up of coalition forces within the nation. Since 2013, intensifying decadency in Afghanistan, Iraq and Syria, has brought about the 1/3 biggest influences of terrorism on financial primarily based totally activities, which has continued for such a lot of years. The effect of terrorism at the financial development in 2016 became \$ ninety four billion. The sample at some point of the remaining 4 years has been accompanied through the upward push and fall of ISIL and the emergence of terrorism in most nations where none existed, together with OECD nations. (UNDP, 2019).

In Africa as a continent harboring such a lot of growing nations may be visible from divergent angle with an perception into 2016 in which, the financial loss to terrorism in Africa became US\$15.five billion. This is greater than ten instances her growth in 2007, whilst the expected value to the economic system became her \$1.fifty four billion. In relative terms, Africa's proportion of the world's financial harm/value of terrorism accelerated from four.2% in 2007 to 20.3% in 2016. In fact, this quantity is a good deal better whilst thinking about expected GDP losses, casual financial losses, extra safety spending, and refugee/IDP prices. The UNDP mission Preventing and reacting to the extremism of violence within side the continent of Africa: An Evolutionary Approach diagnosed 18 nations with the very best effect, together with financial influences of terrorism. This imply the entire quantity of assails skilled in Africa as a resultant of terrorism from 2007 to 2016 and the quantity of deaths from terrorism assaults through group, with terrorist interest within side the middle nations accounting for 60% and 66% of all assaults, respectively is sporting show strength.

This growth in terrorist interest accelerated through greater than 1700 percentage over the last decade from 2007 to 2016 in 18 essential nations, from an expected \$735 million in 2007 to an expected \$14 billion in 2007. It brought about the financial effect of terrorism. Four nations taken into consideration facilities of violent extremism and amplified with the aid of using the heavy effect of terrorism in Nigeria, Nigeria, Mali, Somalia and Libya, account for 94% of the overall monetary effect of terrorism seeing that 2007. \$103billion of the overall monetary effect of terrorism within the decade 2007-2016, affected nations suffered US\$3.2 billion (3%) and fragile states US\$2.7 billion (2.8%),(UNDP, 2019). For a rustic like Nigeria that usually confronts terrorists and therefore can pay them unplanned ransoms, dealing with terrorism is as luxurious as dealing with a civil war. According to UNDP's record at the monetary value of terrorism in Africa, the monetary value of terrorism in 2016 became \$15 billion.

This represents a relative monetary value growth of extra than tenfold from its 2007 estimate of \$1.fifty four billion. Africa's proportion of the sector monetary value of terrorism improved from 4.2% in 2007 to 20.3% in 2016. These billions of bucks must were spent on African development, however regrettably the cash became within side the fingers of terrorists. Combined with the foremost terrible outcomes of terrorism in Nigeria, Nigeria, Mali, Somalia and Libya, it's far taken into consideration to be the 4 nations taken into consideration to be the facilities of terrorism, accounting for 94% or \$103 billion of the overall monetary effect of terrorism seeing that 2007.

Besides the economic implications of terrorism in Nigeria, that's continually in favour of the terrorists it may additionally be visible in price phrases of lack of lives, destruction of each public and personal houses and businesses, disabilities sustained from accidents throughout terrorists attacks. In latest times, Nigeria has end up a first-rate floor for kidnapping and killing of unarmed civilians; unknown gunmen will simply invade a village and abduct own circle of relatives members, faculty children, burn down homes as frequently visible in Northern a part of Nigeria. In maximum cases, after they kidnap, they make request for ransom fee generally in tens of thousands and thousands and as soon as such fee is done, the sufferer is being released, whilst in different cases, the terrorists could acquire the ransom as absolutely paid and nonetheless convey to a climax the existence of the person sufferer; placing households and pals in addition to commercial enterprise pals in a nation of intellectual imbalance. The sum of money paid as ransom may have been used for projects that could have better the lots of the people. Besides, The fight against terrorists' activities have been thoroughly corrupted by the political class such that monies meant to procure arms and ammunition are simply stolen and shared amongst themselves thereby leaving the military with limited and inferior arms with which to prosecute the war on terror, and this has embarrassed the Nigerian state within the comity of nations. (Efebeh,2018; Efebeh & Okereka 2020).

### Theoretical Framework

The imperativeness of theories in a research of this magnitude cannot be over stressed, it is of a high significant. Theoretical framework of this paper refer to the conceptual and analytical approach in which the researcher shall ascertain and correlate the key concepts, propose a relationship between them and discuss them rigorously in an empirical manner. The formation of this paper was supported by the Rational Choice Theory; as it will be utilize to be explain and predict the behaviour of some individuals or groups known as terrorists in stoning negative outcomes into the Nigeria economy due to their inhuman attacks or to comprehend why things happens the way they does. Therefore, this study is based on the application of rational choice theory.

Rational Choice Theory refers to a set of guidelines that help us understand economic and social behavior.

According to Blume (2008), this theory dates back to his 18th century and can be traced to a political economist and philosopher. Adam Smith. There is a theory that people do a cost-benefit analysis to determine if an option is right for them. Amartya, Sen (2008). Boudon and Raymond (2003) propose that the independent and rational behavior of individuals can help improve the economy as a whole. Rational choice theory, according to Gary Browning (2000), mainly he considers three concepts, rational actor, self-interest, and invisible hand. Levin, and Milgrom, (2004) also agreed, arguing that rationality can be used as an assumption of economic outcomes. For them, the basic premise of rational choice theory is that choices made by individual actors collectively produce aggregated social behavior. This theory also assumes that individuals have preferences outside of the available options. Rather than claiming to explain the voting process, rational choice theory helps predict the outcomes and patterns of decisions. Individuals are therefore assumed to be selfish in their decisions to maximize their utility by weighing the costs and benefits.

The focus is on the application of rational choice theory to the study of the economic impact of terrorism in Nigeria. The terrorism and terrorist attacks on life and property that have dramatically diminished Nigeria's economic prosperity have been completely replaced by the creation of a group of assassin, kidnapper (terrorist) people who have withdrawn and made well-managed decisions. He or she carefully and systematically researches and selects like-minded people to form terrorist groups to harm humanity. In this connection, they had already questioned and identified the costs and benefits of the proposed action. They weighed the costs and benefits and concluded that killing and maiming innocent people, kidnapping and raping women, and destroying public and private enterprise were in their greater interest. The economic gains that terrorists have enjoyed in paying ransoms to free those they have kidnapped are often used by them to become terrorists and consequently become terrorists after a proper assessment of the costs and benefits associated with terrorist activities. Key information behind the decision to becoming terrorists and as well carrying out such evil activities is the economic and financial benefits that come to them.

## Conclusions

This study investigated the economic implications of terrorism in developing countries; with Nigeria in focus. This was followed up by a critical analysis of the present outlook of terrorism in the world economies, the ravaging tendencies of terrorists in growing nations and the manifestation of kidnapping, maiming, killings, banditry and bombing of both public and private properties and businesses across communities. The study's finding indicates that direct foreign investment has reduced drastically because of the activities of terrorists in Nigerian, so many foreign owned cooperation has fled Nigerian economic arena to other countries where there is relative peace. The study also ascertained that the increased unemployment rate in Nigeria is to some reasonable extent a fallout of terrorist attacks and as such, the economy is inhospitably affected in a normal state of economy, one of such major spheres of the economy that de-escalate unemployment in the nations in direct foreign investment from abroad and when there is a smooth and peaceful co-existence of multinational corporations in that they go about doing their businesses without any form of negative disruption, unemployment is laid to rest but in a situation where the reverse is the case, investors' security is being largely threatened and unemployment is thereby enthroned as only the government owned parastatals cannot employ the entire population.

The researcher again detected that terrorism has a negative implication on local entrepreneurial development and innovations. The advent of foreign investors and expatriates lead to interactions, exchange of knowledge and the acquisition of new business practice and pattern to help the local entrepreneurs develop and as well, it encourages innovations. It was equally obtained from the study that money that were supposed to be apportioned to productive sectors of the economy are being diverted to the ministry of defence for the acquisition of modern sophisticated arms to fight terrorism but very unfortunately, such huge financial administration to security, have been misappropriated and misused over the years; hence, terrorists in Nigeria are growing more wings every day, causing more harm to humanity, [Nigerians], these findings among other are major road block to the smooth and fast driving of the vehicle carrying economic advancement and unending prosperity in our nation(Nigeria).

## Recommendations

The Buhari led administration should with matter of an agency, first enthrone tranquility in her economic and political environment through a well organized Securitization of lives of citizens and non citizens, including all forms of properties (the primary aim of government) to give such assurance to both local and foreign investors that the Nigerian economic space is now free from bombing, kidnapping, maiming, killing and other social vices that put at risk the security state of lives and properties.

Creation of enabling environment for foreign direct investment to flourish more in Nigeria by removing any form of obstacles including the total eradication of terrorism and terrorist groups.

Effort should be made to reconstruct the various economic growth facilities in both public and private businesses that have been adversely affected by the booming strategy of terrorist groups, this will help to revamp the economy and all negative implications eliminated.

Government should create a compensation plan to compensate those families and companies whose loved ones and colleagues were kidnapped and had used money meant for productive activities as ransom; so as to be able to go back to their business some of the victims of terrorism who had paid ransom in millions are swimming in indebtedness. But such compensation would help to bring them back on their feet and the economy would further produce more good fruits. Once the above recommendations are implemented, the spirit of innovation among local and foreign entrepreneur will jack back to life and economics booming and prosperity becomes the order of the days ahead since the economic and political environment of Nigeria has been well securitized.

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