

## **Effects of Boko Haram Insurgence on Trade and Production in Kano (2012-2016)**

<sup>a</sup>Murtala Muhammad, <sup>b</sup>Ismail Hussain and <sup>c</sup>Mohammed Nuruddeen Suleiman

<sup>a</sup>School of General Studies,  
Kano University of Science and Technology, Wudil, Kano, Nigeria.

<sup>b</sup>Centre for Peace and Security Studies,  
Modibbo Adama University of Technology, Yola, Nigeria.

<sup>c</sup>Department of International and Strategic Studies,  
University of Malaya, Kuala Lumpur, Malaysia.

### **ABSTRACT**

Boko Haram has been terrorizing Nigeria for close to two decades. Its history of violence dates back to December 24, 2003. The crisis was first witnessed in Kano in January 2012, which came along with negative consequences on the economy. The insurgence affected production of manufacturing items generally and trade in particular. Fundamentally this article examined the effects of Boko Haram insurgence on trade and production in Kano from 2012 to 2020. The study discussed how the attacks in markets, motor parks and communities outside Kano that constitute the clientele of businesses in Kano massively affect the economy. The study used qualitative design to provide better understanding of the research problem. Data was drawn from multiple sources including articles from referred journals, books and chapters from referred books, newspapers, magazines and in-depth interviews. The findings indicated that the challenges that have basically surfaced include growing rate of unemployment, loss of revenue, and low industrial production among many others. Several local wholesalers and traders in business are sent packing out of the market as a result of a huge loss that is caused by the massive reduction in price, coming as a result of insecurity. The attack on Kano and trading communities around the Lake Chad area significantly threatens the 500 years old commercial centre of the Western Sudan and the foundation of economic wellbeing of the northern region. Also affected is the multi-billion naira Kano Kantin Kwari textile market reputed to be one of the biggest textile market in Sub-Sahara Africa. The January 20, 2012, Boko Haram multiple bombs explosion in the Kano metropolis marked the beginning of precarious condition of doing business in the boisterous Kano business space. It also experienced decline in business activities. All sectors of the economy were affected. The state known as the 'centre of commerce' was at its lowest ebb. Traders complained of low sales and manufacturers cut down on their expenses to adjust to the situation. This article can be used by policymakers and development strategist in developing workable measures to arrest the ranging insecurity in the country for trade and production to prosper in Kano and the country generally.

**KEYWORDS:** Boko Haram, Insurgence, Trade, Production and Kano

### **Introduction**

Since September 11, 2001, the global occurrence of terrorism has alarmingly increased (LaFree, 2010). This development is not unrelated with the balance of terror and the wave of global uncertainty that marked the beginning of the 21st century. Nigeria, and other parts of the African continent, has in recent history been bothered by an increased occurrence of insurgencies, accounting a significant level of devastation of both property and lives. Boko Haram activities were not so violent in 2003 leading to precarious security condition and confusion. In July 2009, the Boko Haram insurgency became violent in the Lake Chad Basin Area claimed to be the most recent rebellion in Nigeria which now spans more than a decade

(Oyewole, 2015). Territories were captured spreading to countries neighbouring some parts of the Lake Chad Basin (LCB) region including Niger, Chad and Cameroon.

Boko Haram attacks in Kano was injurious to trade and production bringing about loss in transaction of goods and services, production capacity, factory closures and retrenchment of labour (Muhammad et al. 2017). Another major challenge faced since the commencement of insurgency is the exorbitant prices charge on goods and the difficulty to have access to them (Awojobi, 2014). Some of the factors that bring about the increase prices of goods and the attendant limited availability are the insecurities at the markets, the inability for manufacturers to produce and high cost of transporting the products to affected areas. The prices skyrocketed up to 120 percent in January 2017 when weigh against the past two years average price level (Adebayo, 2014). Ikpe (2017) claimed that approximately 5.1 million people experienced business insecurity. Along with the destruction of businesses and production capacity of factories, many houses were burnt down as several villages came under attack. This has prompted increase in the level of poverty in 2013 to 50.4 per cent from 47.3 per cent in 2011 (Adetayo, 2014). In particular, 2.3 million people were displaced and are in need of food and shelter (Anyanwu, 2012). About 1.9 million people were displaced and more than 4.8 million others are experiencing crisis significantly in relations to lack of food in 2015 in the North Eastern Nigeria (Matemilola, 2017).

This article offers fresh and comprehensive explanation of the economic cost of Boko Haram insurgence on trade and production in Kano (2012-2016). Kano presents a problem for reflection on the relations between economic growth and security need on account of the insurgency led by Boko Haram. The arguments and methodologies adopted give a significant starting point for questioning other explanations. This is particularly due to an emphasis on privileging particularities next to robust assessment of established patterns of understanding conflict development trajectories. The article has seven sections. Following this introduction, the second section presented literature review while the third section dwell on the evolution of Boko Haram and how these inform investigation of the country case and beyond covering the Lake Chad Basin. The fourth section of the article discusses the effects of Boko Haram onslaught on the Nigerian economy considering the developmental consequences of conflict across periods. The fifth section examines the effects of Boko Haram insurgence on trade and production in Kano vis-à-vis empirical realities using secondary data. The sixth analysed Boko Haram insurgence and Chinese trade and production imperialism as it affects Kano using secondary and primary data. The last section finishes up the paper.

## **1. Literature Review**

According to Chabal (2005) conflict appears to be a trademark of African societies. Undeniably, different types of vicious conflict have overwhelmed the African continent, affecting its human and natural resources over the years (Ndlovu-Gatsheni, 2012). Fanon (1963) explained the reasons for rampant violence in Africa emanating from colonial violence on the colonised. He asserted that colonialism prompted the colonised to ‘manifest the aggressiveness which has been deposited in their bones against their own people’. He also indicated that the colonised individual disagreement with the ‘colonial order of things’ set the colonised in ‘a permanent state of tension’ (Fanon, 1963). This example is clear in the anti-colonial and anti-Western posture of the Boko Haram radical groups fighting established order in the country. Fanon further demonstrated that the colonised was ‘an oppressed person whose permanent dream is to become the prosecutor.’ Ndlovu-Gatsheni (2012) on the other hand, equally identified the reason for violence in the African continent in ‘coloniality’ and the replication of African subjectivities where race is applied not only to belittle the black people in what Fanon called the land of the damned (‘the wretched of the earth’), but to deprive them of their very humanity, in order to legitimize the use of aggression against them. Ndlovu-

Gatsheni (2012) asserts that postcolonial Africa witnessed increase violence in the pretext to secure a postcolonial modernity. The violence is also advanced in the name of development, national identity and security. An additional inadequacy of colonialism, which the African leaders keenly promote, was the establishment of new forms of identity and perception, often uphold around religion and ethnicity (Hutchful & Aning, 2004). This development is evidently prominent in Northern Nigeria, a section of the country that has been in the throes of debilitating Boko Haram insurgency and state counter-terrorism for more than a decade. Since July 2009, the terror Boko Haram, has increased its violence against the Nigerian people and the state, letting loose a systematic campaign of bombings, kidnappings and killing of security forces and civilians and other soft targets.

Jeong (2017) posits that there is tangible relationship between development economics and conflict studies. In spite of the differences in approach between orthodox liberal economics and political economy proponents, he recognizes the developments that have been stressed by the worth of interdisciplinarity approach. Undoubtedly, there are attendant consequences with privileging economic concerns that risk reinforcing economic determinism in analyses of conflict consumed settings. It is therefore, significant to take into cognisance the economic effect of conflict as closely entwined with the social and political elements that prompted the incidence of civil conflict. Conflict and its related economic costs are filled with social, cultural and historical elements that have been advanced by local and international politics (Barash & Webel, 2013). Even though this article centred on economic issues as they relate to Boko Haram insurgency and as they relate to trade and production, it does so mindful of the difficulties that this introduces specifically in presenting how the social, political and economic sectors are characterized, and supported by one another. In this manner, connections between conflict and economic effects are significant concern for the study. Obviously, in the North-East region connections have been made between economic growth aftermaths and the incidence of conflict. Dike & Dike (2018) and Ayegba (2015) concludes that there is a strong relationship between 'underdevelopment, poor governance and poverty' with climate change vis-à-vis the desertification of Lake Chad as a factor in both the outcome and reaction to the conflict.

Bertoni et. al. (2019) following field work, concluded that there is strong connection between climate inconsistency, fall in agricultural production, insurgent activities and extensive criminality in the North-East (Adelaja & George, 2019). These connections are underlined in the disincentivisation of youth's engagement with agricultural venture due to unpleasant consequences of climate change including loss of farmland, increases in crop infections and pests and decrease access to water. These can be seen as activities through which the effect of climate change on conflict may weaken restoration and the modernization of the agricultural sector (Zougmore et. al. 2016). It is imperative to consider these dynamics as part of a framework that is complex and dynamic across time and issue. This submission is significant for appreciating the difficulty of attributing causality along the conflict-development course in investigation of the conflict consumed agricultural sector in the North-East. Examinations of the economic effect of conflict tend to centre on combined national level dynamics (Bozzoli et. al., 2010).

Research on negative impact on the economy was extended to terrorist affected areas and it was observed that there are declines in GDP growth and the redirection of investment from the private to the public sector (Bures, 2013). Armed conflict can weaken economic development by unsettling trade patterns and limiting exports (Ikpe, 2017). Abadie and Gardeazabal (2008) posit that insecurity can negatively impact on foreign direct investment (FDI), with implications at both local and international context depending on contextual elements. Dupasquier & Osakwe (2006) stress the danger of decrease foreign investment in lower savings and technology transfer as a consequence of conflict in the African setting. This is a direct result of high degree of trade and FDI integration of Nigeria vis-a-vis the global

economy and other African economies attributable to dependence on mineral exports. The negative effect on trade and FDI also arises as a critical factor at the subnational stage given high levels of insecurity and high transaction costs.

## 2. Evolution and Emergence of Boko Haram in Nigeria

Boko Haram terror has been a serious menace to Nigeria and states neighbouring the country killing many innocent people and causing needless destruction of public and private properties worth of billions of naira for more than a decade now (Emmanuelar, 2015). The violent terror crime was launched in Borno State, Northeast Nigeria, by Boko Haram which spread into Lake Chad convergence and turned into a regional crisis mostly in Nigeria, Niger, Chad and Cameroon. Boko Haram otherwise referred to as Jama'atu Ahlis Sunna Lidda'awati wal-Jihad's first came into existence in 2003, when a group of some radical Islamic aggressors drove by a young preacher Mohammed Yusuf relocated to a remote part of the region (Onuoha, 2012). Yusuf and his group strictly misinterpreted Islamic teachings and pronounced Western education as un-Islamic.

Between the years 2009 – 2015, Boko Haram's ideology and ungodly activities thrived and became stretched across the region. As a result of the high rate of unemployment, poverty, illiteracy, ignorance, hardship and misery the Boko Haram call for "a just and egalitarian Islamic state" appealed to some youth in the region. The spread of poverty indices in the region also makes it vulnerable to religious radicalism and mass radicalization of the people of the area. The call to take up arms in the name of "religious justice" has empowered Boko Haram to carry out a full-blown dreaded and deadly war in the region with willing recruits from among the people of the region because the group's philosophy provides them with a pervasive purpose to life (Okoli & Iortyer, 2014). In spite of the fact that the people in the Northern part of the country mostly despises the violence and radical posture of the group, however, there is significant sympathy and support for the introduction of Sharia Law, considered by many as the only way to end what was viewed as a corrupt and hopeless governance. Moreover, adding to this sentiment, domestic and international human advocates have accused authorities of human rights violations in the fight against the group which add to anti-government attitude.

The first recorded assault by the Boko Haram group was in December 2003. The group mobilised in the region of 200 militants to attack police station close to the border of Niger republic (Oyewole, 2015). From then on the group continued to terrorised the Northeast region mostly in small scale from 2003 to 2009. These attacks drastically transformed to full blown warfare in 2009. The 2009 rebellion started as a street fight between the group and the Nigerian Police in Maiduguri, Borno State. The outcome of the fight was devastating for the parties involved, with Boko Haram losing about 700 fighters while the Nigerian Police Force lost close to 300 officers. Among the 700 members of the Boko Haram insurgents killed is the leader of the group Muhammad Yusuf. Amongst the many killed, none of them was accorded higher priority than the leader and founder of the group (Shuaibu et. al., 2015). The deputy to the slain leader of the group Abubakar Shekau, assumed control and quickly swore vengeance to appease the dead of their leader.

Following Mohammed Yusuf extrajudicial killing by the Nigerian Army, the insurgent Boko Haram withdraw and get prepared for an all out onslaught on the Nigerian security and soft targets which greatly harmed the Northeast region. The death of Yusuf pushed his disciples to go violent by carrying sophisticated arms and push for aggressive agenda of political domination and establishment of a Sharia state. To achieve their lofty objective, Boko Haram went all out destroying all fundamentals of modern government representative of western civilization. They take a vow that all manner people not supporting their sect's ideology must be eliminated. Usage of brutal force, combat, and suicide boom attack to accomplish its goals are some of the *modus operandi* of the group. In a nutshell, from 2010 to 2014, the Boko Haram

insurgent was liable for carrying out just about 130 media reported assaults that resulted in roughly 30,000 media recorded deaths. Worthy of note, beginning in late 2014, Boko Haram outstretch their operational reach to locations outside Nigeria and into the neighbouring countries of Chad, Cameroon and Niger republics. Specifically, in July 2009, clashes with security officers heightened into a full blown armed uprising focusing on police headquarters, stations and officers homes in a botched attempt to create an Islamic state in Maiduguri and some towns in Northern Nigeria including Bauchi, Potiskum and Kano. Consequently, a fierce military onslaught led to the death of over 800 Boko Haram members (Enobi & Johnson-Rokosu, 2016).

In September 2010, about 200 Boko Haram insurgents that were heavily armed set free 721 prisoners from Bauchi prison in northern Nigeria after carrying out forceful night cordon. 120 of these prison breakers are members of Boko Haram. It was reported that only 35 of the prisoners returned to their cells (The Guardian, 8 September, 2010). In December 2010, the insurgents murdered four people and injured 26 others after carrying out bomb assault in a jam-packed market close to a military barracks in Abuja, Nigeria (The Guardian, 31 December, 2010). In similar reports the dreaded group organized six attacks in northern Nigeria that presented in the region 500 media recorded documented deaths in 2011 (Mantziko, 2014). They were reported to have killed and wounded 13 and 40 people respectively setting off three bomb attacks in May 2011. In June 2011, a member of the group killed numerous civilians close the police headquarters in Abuja by carrying out a suicide car bombing. It was the first suicide bombing attack by Boko Haram (Wikipedia, January 2021). At the United Nations building in Abuja, Nigeria the militant group killed 21 people and injured another 73 workers by carrying out a suicide car bomb assault in August 2011 (Wikipedia, January 2021). Sadly, the Boko Haramist slaughtered over 100 people in Damaturu the capital of Yobe state in Nigerian in November 2011. In 2011 December, the radical Boko Haram group murdered more than 39 civilians and injured 52 others after a succession of car bombings and shootings (Wikipedia (June 2011).

In 2012, Boko Haram carried out a number of assaults that resulted in around 1,500 recorded deaths (BBC News, 31 March 2014). They also executed 159 people in two independent assaults in northeast Nigeria on 19<sup>th</sup> September, 2013. In this particular operation the insurgents put on Nigerian military gear, mounted vehicle checkpoints, and went to kill innocent people while pulling them out from their vehicles (Human Rights Watch, 29 November 2013). 50 Gujba school children were killed on campus in Yobe state on 29 September by the insurgents (Aljazeera, 30 September 2013). The Nigerian military was attacked in Yobe state in October 2013 by the members of the Boko Haram group. The assault lasted for about five hours and resulted in at least 95 members of the terror group killed, 23 soldiers killed, and eight police officers lost (Wikipedia, January 2021). Boko Haram carried out 41 reported assaults that resulted in about 10,000 recorded deaths in 2014 (Human Rights Watch, 04 November 2016). Moreover, 2014 marks the first time the group expanded its operations into the neighbouring countries of Lake Chad. 121 people were killed in February 2014. During this assault, members of the Boko Haram group wore military uniforms to disguise their identity used rifles and knives to kill innocent people (Wikipedia, 2021).

On April 14, 2014 the group attacked and kidnapped about 250 school girls from a public school in Chibok, Borno state. In February 2018 another set of about 120 school children were kidnapped from government school in Yobe state to compel the Nigerian government to agree to their demands. The terror attacks amplified in the early months of 2014 with bombings, fighting, thefts and destruction of schools, homes and businesses on daily basis (Okeowo, 2014). Approximately 1,500 people were reportedly killed as at then according Amnesty International Report (Amnesty International, March 2014). Weeks before then, more than 1,000 people were killed and 249, 446 displaced (News 24, March 2014). In the same vein

Gilbert (2014: 152) asserted that "... it is on record that Boko Haram has killed over 2,000 persons in 2014 alone and is responsible for more than 12,000 deaths and over 8,000 maimed persons since it started its murderous campaign of insurgency".

Between 2014 and 2015, Boko Haram is in charge of huge areas space in northeast Nigeria. The crises later concentrated along the borders of Cameroon, Chad, and Niger. The countries affected by the Boko Haram crisis in 2015 form a collation army and succeeded in reclaiming huge areas earlier captured by the group. The terror group have transformed its tactics to guerrilla warfare, using suicide attacks, particularly with women as deadly weapons. The group found shelter Sambisa Forest and in areas around the Lake Chad hills near the Nigeria-Cameroon border (Ahokegh, 2011). Traditionally, there has been free movement of goods, services, people and traffic from the other areas in Nigeria to Northeast region and to the neighbouring countries bordering Lake Chad Basin specifically Chad, Cameroon and Niger Republics for centuries. However, the rising surge of terrorist activities since 2009 in the area in particular Adamawa, Borno and Yobe states has made travels in the region an exceptionally dangerous endeavor. Drivers and passengers on both inter-state and trans-border voyages had been victims of terror attacks along the major highways in the region and border communities. According to Nwanegbo and Odigbo (2013) between July 27, 2009 and February 17, 2012, Boko Haram has launched fifty three (53) attacks in which 1,157 people were killed and hundreds of people injured. It is fairly hard to measure the destructions, in terms of lives and properties lost to the pillaging members of Boko Haram (Ahokegh, 2011). Boko Haram's attack have undermined public safety across the region and scared the economy and development. There by affecting the Nigerian economy generally and that of Kano specifically.

### **3. The Effects of Boko Haram Insurgence on the Nigerian Economy**

Terrorism has now become a global phenomenon. The world is turning into evil jungle. Killings and destruction of both public and private properties have become an everyday activity and steadily becoming a way of life. Security of lives and properties are no more ensured. Terror attack is reported as routine on a daily basis and the ferocity of religious terrorism is growing every day (Agbibo, 2013). The number of death toll rising from terror activities is rising on yearly basis and the global number of death in 2013; grow by 61% in comparison with that of 2012 (Adebayo, 2014). The danger presented by Boko Haram has not just subverted the existence of Nigeria as a political unit, but it has also challenged the development of the market place (Adebayo, 2014).

The negative effect of Boko Haram in the country has echoed in all corners and crannies and has pushed the poor into severe condition by affecting the economic sector. It has influenced the ability to produce, buy and sell and work to earn daily means of livelihood (Ayegba, 2015). The negative consequences brought about wanton destruction and uncertainty in the country as a result of the Boko Haram carnage, where the security forces can no longer protect lives and property. The capacity of citizens to economically prosper has been dampened and in the same vein, the country's efforts to attract foreign investments are constrained because of the flagrant state of insecurity. Foreign investors are not enthusiastic to get involved in an insecure condition. They will rather transfer their businesses to locations where they are sure that their investment will be secured (Eme & Ibietan, 2012). Terrorism influences production and consumption patterns, which makes the market less attractive both domestically and internationally. Tighter security makes trade difficult and burdensome and similarly makes it more costly because of impediments in transaction processing and deliveries of the goods and services. Terrorism likewise tear down, or harm traded goods infrastructures such as roads, bridges, electricity, among others, which are required for trade and development (Awortu, 2015).

Additionally, Boko Haram terrorism has depressed Foreign Direct Investment (FDI) in the country (Obiekwe, 2018). Nigeria has become a no go area for business, the country's business prospects had plummeted. Countries consistently warn their citizens to stay away from Nigeria. This seriously affected the country's economic growth and development. Nigeria Vision 20:20:20 aimed at pushing the country to become world economic giant by 2020 was sidelined because of the Boko Haram insurgency making the economic future of the country bleak. The Nigerian government is forced to deploy huge scarce resources to fight Boko Haram in place of the provision of development projects. In 2014 the then Finance Minister, Dr Okonjo Iweala suggested an expected decline to GDP growth as a result of the Boko Haram insurgency (Ogunrotifa, 2013). From 2011 to 2013 GDP growth was on a downward spiralled from 7.8 per cent to 4 per cent before improving to 6.3 per cent in 2015. The drift was explained as part of the established economic challenges as a result poor governance, corruption and the over dependence on the petroleum wealth in the country (Oladeji, 2015; Muhammad et. al., 2018). Insurgency is known to have destabilising effects on trade indicators and is most pronounced in export volumes and growth. Fundamentally, economic needs are diverted towards security demands. Labour and production activities are equally disrupted (Collier & Venables, 2007). Export performance in Nigeria has been deteriorating since the escalation of the insurgency. Moreover, agricultural exports have decrease as a proportion of merchandise exports. This is significant considering the sectoral decrease in capital expenditure that corresponded with increased security spending discussed earlier.

Since 2009, Foreign Direct Investment (FDI) net inflows have been on a decreasing drift in Nigeria. As acknowledged previously, insurgency and the consequential economic volatility have been referred to as underlying elements driving decline in investment flows. As instability advanced, FDI net inflows have tumbled from 8.8 billion USD high in 2011 to a little more than 3 billion USD in 2015 as FDI as percentage of GDP decrease suddenly from 5 per cent in 2009 to below 2 per cent in 2010 (Collier & Venables, 2007). This showed a harmful effect of the conflict on the inflow of foreign investment given the abrupt deteriorating pattern. Insurgency has troubled investor confidence in the Northeast region however it has not presents a certain line of causality. Trade and commerce can as well constitute a source of instability due to underlying social tensions such as those across ethnic lines in Northern Nigeria (Adams & Ogbonnaya, 2014). This highlights the characteristics and complexity and resilience of group dynamics in communities that can counter such issues.

The closures of borders have enormously affected a huge number of people from both ends. The communities that populated the Cameroon-Nigerian border have been negatively affected by this closure. With restricted movement between these countries, there has been a serious decline in food and other commodities supply from Nigeria to Cameroon which includes oil. Furthermore, it has had unfortunate ramifications for both traders and residents in Northern Cameroon. These negative consequences are glaring as businesses, traders, and the residence of northern Cameroon heavily depended on Nigerian oil and Nigeria and other articles of trade. The prices for commodities have increased drastically, while transport fares went up by 70%. Because of the high fare on transportation many businessmen from Cameroon are unable to export their wares to Nigeria, thereby stockpiling huge quantities of farm and related goods. The hardest hit was Amchide town in Cameroun republic. The town is now a ghost of its past, the merchants who previously constituted 90% of the population have left, giving way to the patrol teams stationed there by Cameroon's security forces. The raise in insurgency leaves little optimism for those within the region to return home and continue their trades (Merrick and Li, 2014).

The country's flourishing fishing industry in the Lake Chad Basin has also plummeted. Imposed curfew has shortened business hours while increased number of checkpoints made everyday movement particularly hard. More than one million fishermen in the Basin were

compelled to immigrate with their families to Niger Republic. With increase in insurgents' terror the number of people expected to migrate to safer places may likely increase to protect themselves and their livelihoods. Despite the fact that there have been minimal accounts of attack on the Kano in recent times, insecurity in the neighbouring states of Katsina, Kaduna and Zamfara continue to adversely influence its commercial activities. Closures of borders with the Nigerian neighbouring countries have reduced trade and commercial activities in Kano by more than half, thus increasing poverty level and food shortages (Adenrele, 2012). More than 1.5 million persons have left their homes and about 13,000 others mostly farmers were killed in Adamawa, Borno and Yobe states (Bintube, 2015). Multiple bomb explosions witnessed in Maiduguri the capital city of Borno state making it highly insecure businesses and other meaningful venture. Major markets in the city have become ghost of their own past as a result of insurgency. Land transportation was made dangerous and difficult with the bombing of bridges and roads. Movement of animal from one place to another by nomads in search for fodder to feed their cattles became difficult. Other animals reared on the farm need to be fed to grow healthy for business gain and as a result of insurgency most of the animal feeds cannot be obtained. Insurgency has brought about severe reduction in agricultural output and raise in prices (Kathleen, 2014). The Boko Haram terror has had a huge consequence on both the local and national economy.

#### **4. The Effects of Boko Haram Insurgency on Trade and Production in Kano**

For centuries, Kano experienced a prosperous business connection with countries bordering Lake Chad Basin, as a result of the opportunities presented by the lake for livelihood, agriculture, tourism, and access to markets and trade (Idika-Kalu, 2020). The Boko Haram terror attacks had destructed trade and production activities in Nigeria. It explicitly negatively affected the economic growth of Kano, known to be one of the largest commercial centres in Western Sudan from the era of trans-Saharan trade. It was a thriving commercial and industrial base which benefit from the activities in the Lake Chad Basin and beyond. The Boko Haram insurgence has made economic activities to plummet. For a very long time, expatriates have been conducting businesses and have massive investments in Kano. Emigrants include the Lebanese, Syrians, Indians, Chinese and other foreign investors, many of them had either closed down or left for fear of been kidnapped or killed (Mohammed, 2014; Muhammad, 2018). The insurgents' blockade on Kano and Maiduguri the two must advanced in terms of commercial and industrial activities in Northern Nigeria made them to be on the brink of collapse. The North had suffered a great setback, because businesses and investors would not invest in a place where there is insecurity (Bintube, 2015). The two prominent commercial cities rely more than 80 per cent on huge buyers from outside the two cities who come in to buy goods on daily basis. Traders coming from Burkina Faso, Cameroun, Central Africa, Chad, Niger and even far away Sudan buy goods from Maiduguri and mostly from Kano which is serving as the supply centre for traders and businessmen from all parts of Nigeria and outside the country (Muhammad, 2018). The widespread insecurity in the North has forced many traders and would be buyers to stop coming to Kano for dread of been assaulted. As at 2015, the entire North region is deprived of ₦25 billion on daily basis to the Boko Haram mayhem (Ayegba, 2015).

The effect of the terror onslaught in the Northeast region is experienced in the famous Kanti-Kwari textile and Kofar Ruwa automobile spare parts market and other prominent markets in Kano. The traders reported that they had recorded low patronage because some of their customers from Maiduguri, Chad, Niger, Cameroon and southern Nigeria are no longer come to buy goods for fear of their safety (Agbibo, 2017). It was equally observed that some customers come to Kano irregularly and sometimes they send other people to make purchase on their behalf (Aro, 2013). Insecurity has blocked significant profit to the businesses. The

Kano market in 2015, accounts for not more than 30 per cent of its business activities. The wholesale business of manufactured products has been troubled which led to huge decrease in turnover and decrease in sales by factories operating from other parts of Nigeria. Commenting on the unfavourable effects of the terror activities on trade relations between Nigeria and Cameroon, a Nigerian-based businessman in Garoua, a border town in Cameroon reported that Nigerians on the border areas in Nigeria had been relocating to Cameroon in large numbers. Nigerians go into Cameroon from Banki in Borno to Marwa in Cameroon in droves (Awojobi, 2014). The Cameroonians receive Nigerians and offer them assistance to enable them settle down without challenges.

Years before the occurrence of nefarious activities of Boko Haram, travelling on roads was a pleasurable and exciting incident. There were hardly worries of night marauders or organized armed robbery assaults and where they exist, their threats were negligible. This made businessmen and farmers conduct their businesses with minimal danger in transporting their wares. Notwithstanding, the growing waves of terror have made inter-state road travels exceptionally dangerous. In like manner, trans-border travels from Kano to Northeast region and to the neighbouring countries like Chad, Cameroon and Niger is not safe also. The Boko Haram members had terrorized major transborder highways and rural roads making travellers to fear the challenges of being killed, abducted or kidnapped. As of now, insurgents' assaults has obscured the danger of armed robbery and constituted the biggest danger to road users. Terrorism is probably the biggest danger to road transport in the country. The terror group had executed heinous acts by killing, kidnapping and stealing of vehicles from road users. This has made individuals who would like to travel to areas under the influence of the terror group from other places to be in continuous dread of either being kidnapped or killed. Inter-state voyage has been a dangerous mission as local and foreign media are awash with gory tales of how the terror group had attacked travellers on the major highways. The casualties of the attacks were the drivers, passengers, traders, students, traditional rulers, politicians, security personnel, expatriates and local road construction workers.

Trade, the mainstay of Kano and Maiduguri has declined as a result of insecurity. Prominent markets in Kano including Muhammadu Abubakar Rimi, Kurmi, Yanlemo, Yankaba, Kofar Ruwa, Dawanau, Yankatako, Rimi, Kwanar Dawaki, Mariri, Kofar Wambai and Kantin Kwari textile market were performing at less than half of average capacity with most rural markets not functioning at all because of security dangers in 2014 (Muhammad, 2018). Markets in Kano get back to normal performance levels in 2016 with high degree of recovery. The markets returning to normal come with challenges of heavy road checkpoints mounted by security agencies for a very long time which increased transaction costs before the checkpoints were dismantled at a later time. This increased state security provision undermined trade. Trade routes have to be rerouted from the insurgents' areas of influence to Kano and Southern Nigeria (Matemilola, 2017). Transport routes to and from of the Northeast region are either damaged or greatly insecure, resulting in trade related traffic and significant increase in transport costs to the area. For example, until 2012 the approximate transport fare from Lagos to Maiduguri remained at ₦4,000, but this raised to over ₦8,000 from 2014 as assaults heightened. Additionally, around 2014 and 2015 just few transporters kept on utilizing the route (Idika-Kalu, 2020). These contributed to products price raise *from Kano market to Maiduguri* (Idika-Kalu, 2020). As a result of this development the trade volumes are at far lower extent, just about half, of what would usually be expected (Agbibo, 2017). Accordingly, dismantling of transport infrastructure has pushed transaction costs with repercussion for the extensive economy in articles value hikes.

There has been distraction in the organised private sector as a result of the persistent conflict. Insecurity has lead to increased cases of armed robberies and forced extortions from local businesses to support Boko Haram. This has had an impact on commercial ventures.

Addison et al. (2005) bring to light the high-risk experience faced by financial service providers in crisis situation. Banking system and structure have been disrupted and as a result affecting cash-related transactions. The service providers have under pressure for security concerns changed operating hours for the safety of their staff and clients which further reduced service provision. These situations have potentially shifted financially related issues from the formal to the informal sphere. Ironically, the Boko Haram security debacle had not deterred China from bringing cheap products to the country especially to the Kano market. The increase volume of imports to Kano and to other insurgents infested areas is astounding and fully encouraged by China policy thrust (Muhammad et. al, 2017). China firmly courts Kano and benefits from the developing business setting. There is a lot of unrecorded trade between Nigeria and China, taking into cognisance especially Chinese imports, which are mostly smuggled into the country.

## **5. Conclusion**

This study identifies and examines the adverse economic impact of Boko Haram insurgency on Kano trade and production from 2012 to 2016. Boko Haram terror attacks in Nigeria and some of its neighbouring countries have unpleasant results on the economy in general. This has been proven by the decrease of valued added to the economy from the times Boko Haram insurgents held sway. Evidence has also indicated that the terrorist activities have dislocated capacity utilisation, installed, actual efficiency and selling price. The insurgency has also affected the exportation of manufacturing outputs. The combined economy of the Lake Chad Basin has also been unfavorably influenced by the Boko Haram terror activities which seriously affect Kano business sector. Insecurity has been increased as the terror group scaled up their noxious assaults. The insurgents' attacks have hampered the once flourishing economy and peaceful coexistence of the people. It has fundamentally transformed the financial structure of the domestic economy.

Boko Haram has disrupted mobility especially in Northeast region which is strategically located to the development of Kano market. Accordingly, trade and commerce have been impacted negatively by insecurity through impeded trade flows, boost in transaction costs, risks to formal and informal sectors activities and outflow of investment due to insecurity. It emphasizes increase in transaction costs in the demand of mandatory payments and tribute from businesses by Boko Haram, high transport costs and reduced trade levels. This has had a direct impact on increasing costs in the region and beyond. Commercial activities have been challenged by insecurity through uncertainty that has forced FDI divestments in the country. There has also been high risk exposure to financial services that have served to limit access to consumers and risk a retreat of associated activities to less formal spaces.

The weighty flow of light and small arms and ammunition into the country must be properly checked by all the security agencies involved because these arms often end up in the wrong hands. Consequently, the introduction of private militias that are financed and used by the politicians and individuals who later dump them after they have been instructed to handle arms should be dissuaded and stopped by authorities. The people, on their part, should work in partnership with the security agencies by giving them accurate, useful and relevant intelligent reports about any likely breakdown of law and order. This will help in eradicating terror activities because some of the insurgents' live within the society or communities among other innocent citizens. The government at all levels must work to wipe out corruption and ensure that democracy and good governance to promote the desired change the people are yearning for. Authorities should ensure that the demands and aspirations of the people are met, and the gap between the rich and the poor is minimized considerably.

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