



THE EFFECT OF BOKO HARAM INSURGENCY ON BUSINESS PERFORMANCE IN BORNO STATE, NIGERIA

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ABSTRACT

This study investigates the effect of Boko Haram insurgency on Business Performance in Borno state. One hundred and eighty three (183) respondents were randomly selected for the study using the simple random technique. A questionnaire titled: Effect of Boko Haram Insurgency on Business Performance was designed to collect data for the study. The instrument was subjected to the reliability test which gave 0.77 as the reliability index. This showed the instrument is reliable for data for the study. Chi-square (x^2) was used for testing of the formulated hypotheses at 5% level of significance. The study revealed significant effect of Boko Haram insurgency on Business Performance in Borno state. Based on the findings of the study, one of the recommendations is that there is the need to have an institutional co-ordination of the efforts of business owners towards increasing their knowledge of doing business in an emergency. Seminars and workshops should also be organized to create forum for interaction between government agency – including security agencies with business owners and managers improving on needs for knowledge and information sharing on the activities of Boko Haram insurgency.

Keywords: Boko Haram, Business, Performance, Insurgency

Introduction

The performance of every business is dependent on the nature of the environment around which the business is established. Factors, which informed the business growth or otherwise is also a child of the nature of the health of the environment, however the outcome for business growth or otherwise, Disaster can be said to be the fertilizer for the growth or crippling factor in the business environment (Maina, 2018). Disaster, whether it is manmade disaster or disaster as a result of natural occurrence has a degree of effect that will always impact on the lives of people and often

has negative effect on the environment. According to International Federation Gender Policy (2021), disaster is a sudden, calamitous event that seriously disrupts the functioning of a community or society and causes human, material, and economic or environmental losses that exceed the community's or society's ability to cope using its own resources. Though often caused by nature, disasters can have human origins. The combination of hazards, vulnerability and inability to reduce the potential negative consequences of risk results in disaster. But Nigerian journalist, Maina (2021) sighted in his report on the ongoing Boko Haram insurgency in Borno state, northeast Nigeria also observed that, disaster cannot be always calamitous as it can also be a fuel for growth in business. In the report he sighted disaster as an opportunity for business growth given example for the hike in price of food in Borno and the growth of vendors business who are supplying food and nonfood items to International non-governmental organizations operating in the state.

Aims and Objectives of study

Aims

This study is an attempt to investigate the effects of Boko Haram Insurgency on Business Performance in Borno state.

Objectives of the Study

1. To Investigate the effect of Boko Haram Insurgency on the business performance in Borno state
2. To examine whether the frequency of attack leads to business performance or otherwise in the state
3. To measure the level of impact of Boko Haram Insurgency on business performance in the state.

Statement of the Problem

To what extent has the Boko Haram Insurgency contributed to the failure of business performance in Borno state?

Has the frequency of attacks leads to business performance or otherwise in the state?

Review of Literature

The success of every business depends on adapting itself to the environment within which it functions. Hence, the term business environment represents all forces, factors and institutions that are beyond the control of the business and affect the functioning of a business enterprise. These include customers, competitors, suppliers, government, and the social, political, legal and technological factors (Obasan 2014). To Carrasco (2007) in Babalola and Abel (2013) environment has been seen as the totality of the factors that affect, influence, or determine the operations or performance of a business and this was interpreted by Azhar (2008) that environment determines what is possible for

the organization to achieve. In a nutshell, environment is the combination of many factors both tangible and non-tangible elements that provides lifeblood support for the organizational success through provision of market for its products and services and also by serving as a source of resources to others. Therefore, the environment of a business is the aggregation of the pattern of all the external and internal conditions and influences that affect the existence, growth and development of the business.

Oladunjoye and Omemu (2013) assessed the effect of Boko Haram on school attendance in Northern Nigeria. The study was a descriptive survey. It covered schools in the most vulnerable states in North Eastern Nigeria - Borno, Yobe and Adamawa States. Two (2) tertiary institutions and sixty (60) primary and secondary schools (30 from rural and 30 from urban) were randomly selected from each of the three (3) states. A questionnaire containing 20 items was used for data collection. The data collected were analyzed using the t-test and Analysis of variance (ANOVA) statistics. The study revealed significant effect of BH insurgency on school attendance irrespective of school location. The study recommended improved federal government commitment to beef-up security in schools in Northern Nigeria and a special orientation to sensitize the people on security matters in schools.

History of Boko Haram

The early members of Boko Haram were people such as Aminu Tashen Ilimi, who integrally involved in the founding of the early evolution of Boko Haram (Gusau, 2009). However, there are differences in opinion over the precise date and conditions under which the group that became known as Boko Haram was first established, but a senior Nigerian military officer has suggested that the group has existed in some form or another since 1995 (Onuoha,2010). While others have written that it was founded in 2003 or 2004. A Nigerian reporter Isioma Madike contends that the group began in 1995 as Sahaba under the leadership of the conservative Islamist cleric Lawan Abubakar, who later left for the University of Medina in Saudi Arabia for further studies (Madike,2011). Isa Umar Gusau suggests that the origins of the group can be traced to a group of Muslim students who dropped out of the University of Maiduguri around 2002 (Gusau,2009) Despite the existence of various conflicting accounts, it is agreed by most observers that in 2002, a Muslim cleric by name Ustaz

Mohammed Yusuf, established a religious complex with a mosque and an Islamic boarding school in Maiduguri in Borno state, along with a prayer group which he called “Jama’atul Alhul Sunnah Lidda’wati wal Jihad” loosely translated from Arabic as “people committed to the propagation of the Prophet’s teachings and jihad (Chothia,2011).

The same group is better known by its Hausa and Arabic name as Boko Haram, meaning “Western education is sinful” (Adesoji, 2009, p: 100).

The above literatures are relevant to the present study in scope and area of the study. However, the studies focused only on some aspects of the business environment. This gives a gap which the present study intends to bridge. The present study investigates the effect of Boko Haram insurgency on business performance in Borno state.

Methodology

Research Design

This study focuses on supply business for food and nonfood items. It concentrated on registered Contractors supplying food and nonfood items, particularly INGOs within the state. The random sampling method has been used in generating respondents for the questionnaires. The study also made use of the records from the Borno state Ministry of Commerce. Records from the Ministry of Commerce (2019) indicated that there are 783 businesses across Borno state as well as over 156 nongovernmental organizations, which is registered with government under the MRRR- Ministry of Reconstruction, Rehabilitation and Resettlement.

Population of the Study

The study randomly selected the one hundred and thirty five (183) businesses out of the total of the population (783), which represents 23% of the population of the study. The data for the study was collected by combining primary sources with secondary sources. The main data collection instrument employed is the questionnaire. The questionnaire was designed as multiple survey questions with the combination of Likert scale questions, rating scales, multiples choice and Close-ended questions, which was deployed to supplement the output.

Sample Size and Sampling Procedure

In Borno state, Maiduguri metropolitan and Jere local government were considered for the study. These local councils have more concentration of businesses due to activities of Boko Haram. One hundred and eighty three (183) respondents were randomly selected for the study using the simple random technique. One hundred (100) respondents were selected in Maiduguri metropolitan and Eighty three (83) respondent were selected in Jere LGA if the state.

Instrumentation

A questionnaire titled: Effects of Boko Haram Insurgency on Business Performance was designed as instrument for data collection. The questionnaire was designed as multiple survey questions.

Validity and Reliability of the Instrument

The instrument was face validated by experts in Department of Business Management University of Maiduguri. Corrections and modifications made were used for restructuring the instrument. The instrument was subjected to the reliability test which gave 0.77 as the reliability index. This showed the instrument is reliable for data for the study.

Data Collection Procedure

Copies of the instrument were distributed to the respondents through the help of trained assistants. Out of the one hundred and eighty-three (183) questionnaires distributed, one hundred and seventeen (117) were completed filled and returned. This gives 64% return rate.

Method of Data Analysis

Data collected with respect to research questions raised were analyzed using Chi-square (χ^2) for testing of the generated hypotheses at 5 percent level of significance.

FINDINGS

Variables	Class	Maiduguri	%	Jere	%	Total	%
Status	Indigenes	53	0.452991	23	0.196581	76	0.649573
	Nonindigenous	26	0.222222	15	0.128205	41	0.350427
	Total	79	0.675214	38	0.324786	117	1
Years in the state	Below 5	20	0.17094	3	0.025641	23	0.196581
	Above 5	60	0.512821	34	0.290598	94	0.803419
	Total	80	0.683761	37	0.316239	117	1
Gender	Male	78	0.666667	19	0.162393	97	0.82906
	Female	13	0.111111	7	0.059829	20	0.17094
	Total	91	0.777778	26	0.222222	117	1
Aged	Below 30	36	0.307692	4	0.034188	40	0.34188
	Above30	60	0.512821	17	0.145299	77	0.65812
	Total	96	0.820513	21	0.179487	117	1
Qualification	Graduates	100	0.854701	7	0.059829	107	0.91453
	Non-graduates	0	0	10	0.08547	10	0.08547
	Total	100	0.854701	17	0.145299	117	1

Respondents of the study were made up of One hundred (100) from Maiduguri metropolitan council and Eighty-three (83) from Jere local government area of the state. Forty-one respondents were non-indigene of Borno state while the larger respondents Seventy-six are indigenes of Borno state. There are total of ninety-seven male respondents and twenty female respondents. The number of graduates who participated in the response are one hundred and seven while Non-graduate respondents are ten. A total of twenty-three respondents have less than five years stay in Borno state, while ninety-four respondents have lived in the state above five years. Respondents whose aged is below 30 years are 40 in numbers and those who are above 30 years of aged are 77 in number. Given the information about

respondents for this study, it implies that, the greater percentage of them are knowledgeable and have been living in Borno state for a good number of years, Thus have the knowledge of happenings in the state particularly as it affects businesses and the effect of the Boko Haram Insurgency on the business to provide a balanced analysis of the situation.

TABLE 2: RESPONSES BY RESPONDENT, WHICH WAS USED FOR CHI-SQUARE TEST STATISTICS OF INDEPENDANCE

QUESTIONS	Response 1	Response 2	Response 3	TOTAL
To what extent has the Boko Haram Insurgency affected Business performance in Borno state?	102	11	4	117
Do you agree that Boko Haram insurgency has stifled normal process in Borno state?	115	2	0	117
Do you agree that Boko haram insurgency poses threat to business environment in Borno state?	117	0	0	117
Have you received any assistance for your business from government as a result of the Boko Haram insurgency?	22	95	0	117
Has the frequency of attack affected your business performance positively?	46	71	0	117
Has the frequency of attack affected your business performance negatively?	71	46	0	117
How would you measure the effect of the Boko Haram Insurgency on your business performance?	72	33	12	117
TOTAL	545	258	16	819

Test of Hypotheses

Ho: Boko Haram insurgency has no significant effect on the Business Performance in Borno state.

χ^2	Df	P-Value	SL	Decision
374.02	12	0	0.05	Rejected

For this analysis, the significance level is 0.05. Using sample data, this study conducts a chi-square test of independence. Applying the Chi-square (χ^2) test for independence, the study compute the degree of freedom, the expected frequency count and the chi-square test statistics. Based on the chi-square statistics and the degree of freedom, the P-value is determined. The $DF=(r-1) \times (c-1)$. Using the chi-square distribution calculator, the study finds P-value = 0. Therefore, the hypothesis is rejected and this implies that, Boko Haram insurgency has significance effect on Business Performance in Borno state

DISCUSSION OF FINDINGS

After computing and calculating the values using chi-squares test for independence, the test of hypothesis indicated that, Boko Haram (BH) insurgency has significant effect on Business Performance in Borno state based on the study carry out. This study is consistent with earlier study conducted by Imasuen (2015) which revealed that activities of the BH have caused human casualties, food insecurity and internally displaced persons (IDP's) in Nigeria. The study also revealed that Boko Haram caused decline in foreign direct investment and in tourism sectors, stifled normal processes of trade and investments, and frightened investors, caused high rate of brain drain, and general decline in wealth creation and accumulation as well as interrupted developmental and economic activities.

The present study agrees with the findings of Shuaibu, Salleh and Shehu (2015) which revealed that BH insurgency is a threat to Nigeria national security and economic development. It also supports the study conducted by Oladimeji and Oresanwo (2014) which submitted that BH posed severe threats to Nigeria's economy and investments. The study is also in congruence with the studies conducted by Adejoh and Aly (2014) which revealed effect of BH on tourism potential of Nigeria; and that of Olowoselu, Adaobi and Uzoechina (2015) which disclosed significant effects of BH insurgency on school attendance in Borno State.

Conclusions, Recommendations and Limitations

Conclusions

Boko Haram insurgency has subjected Borno state to severe economic and humanitarian crises living millions of people at the mercy hunger, diseases and poverty. After a peak in Boko Haram-related violence in 2014 and 2015, the number of casualties attributed to the group fell dramatically. The Nigerian military with assistance from Benin, Cameroon, Chad, and Niger has pushed Boko Haram out of several provinces in northeastern Nigeria, but the group retains control over some local government areas and villages and continues to launch deadly suicide attacks and abduct civilians, mostly women and children. In April, 2014, the group abducted over 200 female students at their dormitory in Chibok local government area of Borno state and in February 2018, more than one hundred students were again kidnapped by a faction of Boko Haram known as Islamic State West Africa in Dapchi neighboring state of Yobe. The Maiduguri-Damaturu road which remains the only route to the state capital where goods and service can reach the people in need has always been attack by the group, a deadly

attack that denied the state the privileged of having to conduct business in an atmosphere of peaceful environment.

Recommendations

To enhanced business performance in Borno state and at the same time solve the insurgency in the country; the following recommendations are put forward:

- i. Government should ensure that all routes linking Borno state and other states, region or country are open and safety of the routes ensure to enable movement of goods and services into the state in other to boost the economic activities and create competitive environment for business to thrive in the state.
- ii. There is the need to have an institutional co-ordination of the efforts of business owners towards increasing their knowledge of doing business in an emergency. Seminars and workshops should also be organised to create forum for interaction between government agency – including security agencies with business owners and managers improving on needs for knowledge and information sharing on the activities of Boko Haram insurgency.
- iii. There should be a deliberate move to ensure Public enlightenment on the adverse impacts of terrorism on the socio-economic activities in the state. As this will enhance confidence in sharing information on the activities of Boko Haram Insurgency and thereby help in reducing attacks on unsuspecting community in the state.

Limitations of Study

Nigeria's ongoing battle with insurgent groups and continued government corruption threaten the stability and political integrity of Africa's most populous state. Since 2011, Boko Haram—one of the largest Islamist militant groups in Africa—has conducted terrorist attacks on religious and political groups, local police, and the military, as well as indiscriminately attacking civilians in busy markets and villages. This study underscore the effect of the Boko Haram insurgency on Business Performance in Borno state, however, the study is limited by lack of fully participation of targeted business owners and managers in responding to question for the study,

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