Terrorism, Human Capital Development and Economic Growth in Nigeria

Oluwaseun B. Alade [1], Ifeoma MBA [2], Ebikabowei Biedomo Aduku [3], Chika Anayochukwu Ameh [4]

Abstract:

Terrorism in Nigeria is on the increase despite government counter-terrorism efforts and expenditure. This paper examines the impact of terrorism on economic growth and human capital development in Nigeria from 1981 – 2019. The Generalized Method of Moments (GMM) estimator was employed in analyzing the data. A negative and insignificant impact of terrorism on economic growth and human capital development was found. Internal and external conflict also had a negative and insignificant impact on economic growth and human capital development. Government expenditure as well had a negative and insignificant impact on economic growth and human capital development. Domestic investment had a positive and significant impact on economic growth, while its impact on human capital development was positive but insignificant. We, therefore, recommend establishing a bank of security to directly fund security in Nigeria. This can contribute to remedying the terrorism situation. Also, establishing a bank of security can serve as a channel where armed forces and other security personnel who died in service to the nation can be compensated. This will encourage the armed forces in the battle against terrorism.

Keywords: Terrorism, Human Capital, Economic growth, government expenditure, domestic investment.
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[1]*University of Nigeria, Department of Economics, oluwaseun.alade@unn.edu.ng*
[2]*University of Nigeria, Department of Economics, ifeoma.mba@unn.edu.ng*
[3]*University of Nigeria, Department of Economics, ebiopportunity@gmail.com*
[4]*University of Nigeria, Department of Economics, ikemandy.mobosi@unn.edu.ng*

1. Introduction

Economic growth is the fundamental macroeconomic objective, especially for developing countries. Economic growth is a basis for economic development. It is difficult to achieve economic development in the absence of economic growth. Economic growth comes with welfare improvement. The productive base of an economy grows with economic growth. This leads to a rise in national output and income. Real economic growth comes with meaningful progress in the standards of living. It also facilitates market expansion as well as the opening of new markets. Businesses flourish more in growing economies, with an increase in production and employment opportunities (Nnamdi, 2009; and Kambua, 2013). A key constituent of economic growth is human capital.

Human capital comprises knowledge, skills, health and workers' experiences. It also includes competencies and other attributes that are in individuals or groups of individuals. They are inseparable from the individual. Human capital is acquired by formal learning, formal school certificates and other non-certified means such as work experience. Expenditure on education, training and healthcare among others are considered as human capital investment or development (Nickolas, 2019). Human capital creates economic value as knowledgeable workers can be productive workers.

The link between human capital and economic growth is based on the labour productivity influence of production. This is also known as the labour effect. Human capital also creates a competitive advantage, in the form of innovation and technology diffusion. This is called the rate effect. Educated workers have higher chances of employment and earnings. They are more productive efficient and, in some cases, work at a faster rate than the less educated (Nickolas, 2019). Human capital is involved in the production of new knowledge that is technology and innovation creative, through which, factors of production are propelled. This function of human capital development instigates economic growth all over the world. Human capital development is a condition and a consequence of economic growth. One of the growth challenges of developing countries all over the world, including Nigeria, is terrorism.

Terrorism is violence committed to frighten individuals in an area or compel the government or international organizations and agencies for religious, political and ideological reasons. It is the terrorists' activities such as kidnapping, treats, bombing, hijacking and suicide attacks (Shah & Faiz, 2015). Destruction associated with terrorism can be grouped into direct destruction and indirect destruction. Direct destruction includes human capital destruction – which involves human injuries and killing, and physical capital destruction – which is the destruction of public infrastructures, destruction of goods and alteration of services (Saul, 2012; Quintana-Domeque & Ródenas-Serrano, 2014). The indirect destruction, on the other hand, includes the arousal of anxiety, fear, drop-in mental health, higher

security expenditure, higher unemployment rates, increase in social expenditure, reduction in foreign direct investments (FDI), etc. (Shah & Faiz, 2015). Direct or indirect, terrorism causes economic growth and developmental challenges in both developed and developing countries.

Terrorism in Nigeria, especially recent has regularly affected the lives and social relationships of people. The peak of terrorist activities in recent years can be traced to the Boko Haram attacks. Approximately two million people have been internally displaced within states in Northern Nigeria including Borno, Adamawa and Yobe, while over 240,000 refugees to neighbouring African countries have been recorded (Bureau of Counterterrorism, 2019). 13,000 deaths are linked to Boko Haram terrorist attacks, putting the group among the deadliest terrorist groups in the world. Over 6 million Nigerians have been affected by terrorism (Ehwarieme & Umukoro, 2015). Specifically, on 7th September 2010, the attack on a prison by a terrorist group in Bauchi led to the death of 5 persons and the release of 700 inmates. On 26th August 2011, about 23 people were killed by a car bump, while over 75 people were injured. Also, on 4th November 2011, over 100 lives were lost in several attacks in most Boko Haram based states include an attack on churches and markets and vehicles. January 20, 2012, marked the death of 200 people in terrorist attacks. The terrorist attacks on January 17, 2017, also left about 90 people dead. The attacks on July 27, 2019, February 9, and June 9, 2020, led to the death of over 195 persons (CNN Editorial Research, 2020).

Terrorism has led to an increase in poverty, reduces literacy rate and ethnic divisions. Terrorism affects schools, power stations and infrastructures, which reduces productivity. Fall in Foreign Direct Investment (FDI), domestic investment, exports, etc. are also among the native influence of terrorism. The implication is that economic growth can be affected in addition to slowing down human capital development. Terrorism in Nigeria is still on the increase despite government counter-terrorism efforts and expenditure. This paper, therefore, examines the impact of terrorism on human capital development and economic growth in Nigeria. The empirical analysis is conducted using the Ordinary Least Square technique. Since lag effects contribute to the adjustment process, lagged variables would be included in the model. The study has great fiscal policy relevance and would be useful for the policy authority on counter-terrorism.

The paper is divided into five major sections. Following this introduction section, the literature is reviewed presented in the second section. The third section consists of data and data source, and the methods used in the analysis. In section four, analysis results are presented and discussed. In the last section, a conclusion is drawn and recommendations are proffered.

2. Literature Review

2.1 Conceptual Literature

2.1.1 Terrorism

Many individuals, academics and even organizations have provided various interpretations depending on the way they viewed or encountered terrorism. The Federal Bureau of Investigation (FBI) defined terrorism as the unlawful use of force and violence against persons or property to intimidate or coerce a government, civilian population or any segment thereof, in the advancement of political or social interests. Shukla (2009) claimed that terrorism would range from personality and environment based socioeconomic and political theories. This may be driven either for vengeance or financial gains from internal drives. This may also range from fundamentalism to poverty, political discontent, religious inequalities, and distrust of the current state, or interference in personal liberty, injustice, and inequality, as well as the poor government. Terrorism is a psychological tool concealed behind a political, economic or religious purpose such as that of Boko Haram, which seeks to enforce and practice Islamic law in northern Nigerian (Udama, 2013).

2.1.2 Human Capital Development

The concept of human capital genuinely owes its origins to the economic field. Pigou (1928), Becker (1964), Lewis (1954), and Mincer (1958) were among the earliest contributors to its intellectual development. Human Capital in such works was analogous to "internal means of production," such as factories or machines. And one may invest in human resources through schooling, training or medical care. If this occurs, one's production depends on the rate of return which is held by the property. This is why human capital is regarded as a "growth tool" through which additional investments yield an extra unit of output (Idike, 2013). Nevertheless, Crook et al (2011) further argued that human capital is the stock of qualities of competencies, skills and personality contained in the capacity to perform labour to generate economic value. Human capital according to Peterson et al (2011) is the skills and knowledge possessed by employees that are relevant to the organization and that could be enhanced through professional training or development. Then, according to Olaniyan and Okemakinde (2008), human capital generally represents the investment people make in themselves that increases their national performance.

2.1.3 Violent Conflicts, Education and the Economy

Violent disputes through a broad range of networks impact both the supply and demand for education. Conflicts may have a direct effect on the demand for education at a basic level. Pupils often fight, escape, or hide in armed conflicts, instead of attending school (Sommers, 2002). Young boys are especially easy targets for armies and rebel groups to recruit since they are easier to exploit than adults and

seldom demand payment for their service. Large-scale conflicts also cause humanitarian crises, resulting in massive displacement and migration, which are usually highly disruptive to education (Justino, 2011). From a supply perspective, violent conflicts also damage physical property, such as school buildings and road networks, thus reducing the capacity of the state to provide equal access to education. The depletion of human resources through the absence of teachers further undermines the functioning of school systems and can contribute to long-term productivity losses (Lai & Thyne, 2007).

Violent disputes and State capability have shared origins and reciprocal power (Besley & Persson, 2010, 2014). While conflicts can limit state capacity, the lack of adequate state capacity can also allow violence to spread. In turn, a population's decision to revolt is based on the capacity of a state to repress insurgencies and satisfy grievances (Hendrix, 2010). Countries with lower state potential are also more likely to face revolts, despite having fewer resources to combat them. Also, violent conflicts affect the decision to invest in future state resources, preventing the development of stable and well-functioning institutions. This produces a dynamic short-term rather than long-term objectives mechanism that increases the vulnerability to external shocks.

2.1.4 The Boko Haram Misfortune and the Problem of Sustainable Security and Human Capital Development in Nigeria

Boko Haram's ongoing bombings of insurgents no doubt hurt life and property. While there is a lack of objective evaluation of the devastating attacks, available statistics indicate that, in 164 attacks, Human Rights Watch (2012) reported a cumulative death toll of 935 people. It is also reported that an estimated 550 people have been killed by bombing and other means; in 2011 alone 550 people have been killed in 135 attacks. While in 2011, the Boko Haram attacks killed at least 500 people (Amnesty International, 2012). Besides the loss of lives, there is also the wanton destruction of properties worth several trillion nairas by bombing. (Oluwaseun, 2012)

Citizens are no longer free to go about their business for fear of being killed. It gets worse when several thousand people rapidly relocated to the southern part of Nigeria. The overall sustainability consequences are that the economy is increasingly declining. The assassination campaigns and violent assaults on individuals and organizations provide domestic and international investors with an extremely unfavourable market climate. International investment is an important factor in achieving sustainable growth. In addition to substantial national economic contributions, foreign investors generate livelihood opportunities through job development opportunities and the provision of large scale goods and services in the host nation. Due to the unfavourable business environment of insecurity created by Boko Haram's violent activities, Nigeria can no longer take advantage of this opportunity. The insecurity issues faced by Boko Haram have led to a higher

percentage of internal resources and attention being devoted to the security sector alone. With the huge resources at its disposal, Nigeria's leadership faces the question of concentrating its spending priorities on security at the disadvantage of viable human capital development and other sectors promoting growth and productivity. It inevitably poses a significant challenge to a complex system for creating employment opportunities and eradicating poverty, which is the cornerstone of sustainable growth, of course. It gets worse as leadership is obsessed with fighting and bent on winning the war on terrorism through large budget allocations for the security industry. Nigerian leadership's disproportionate attention to the security sector is yet another challenge for sustainable development (Oluwaseun, 2012).

There is also the problem of contradictions and leakages of microeconomic uncertainty in the Nigerian economy, with the related problem of infrastructural constraints and hyperinflation. Terrorism increases the private sector's cost of doing business by providing public services. Money that would otherwise have been invested in efficiency, finance education, health and other welfare services are being redirected to crime prevention and control. According to Nigeria's former Finance Minister, Dr Ngozi Okonjo-Iweala, the main allocation of funds in the 2013 budget includes vital infrastructure (including electricity, utilities, transport, aviation, gas pipelines and the Federal Capital Territory) – N497 billion; human capital development (i.e. education and health) – N705 billion; and agricultural / water resources – N175 billion. More than N950 billion has also been earmarked for national security purposes, comprising N320 billion for the Military, N364 billion for the Armed Forces, N115 billion for the NSA Office and N154 billion for the Interior Ministry (This Day, 2013). A circumstance where, as is the case with Nigeria, the funds allocated to security alone are almost equal to the funds allocated to education, health and essential infrastructure combined in a fiscal year is counterproductive to national growth.

2.2   Empirical Literature Review and Value Added

The empirical literature includes the study by Edeme & Nkalu (2019) who examined the growth and fiscal effects of terrorism in Nigeria. The study employed the simultaneous equation approach. It was found that terrorism is resulting in low economic growth. In Pakistan, Siddique, Liaqat & Ullah (2017) examined the effect of terrorism on domestic investment as well as foreign direct investment. The study covered the 1980 – 2015 sample periods. The autoregressive distributed lag bound testing co-integration approach was employed. The study found a long-run relationship between terrorism and investment. A negative effect of terrorism on both domestic and foreign investments was also found. Sami & Khattak (2017) examined the long and short-run impact of terrorism on the economic growth of Pakistan during 1980 – 2016. The study employed the Auto Regressive Distributed Lag (ARDL) approach to co-integration. The findings showed that terrorism huddles economic growth.

The impact of terrorism along with other important location variables such as market size, economic growth, exchange rate, and infrastructure and trade openness on FDI inflows in five SAARC member countries was examined by Shah & Faiz (2015). The study covered the 1980 – 2012 sample period. The study found a significant positive impact of market size, trade openness, infrastructure availability and economic growth on inward FDI. Turkey Altay et al. (2013) examines the relationship between terrorism and economic growth using panel data analysis from 1996 to 2010to assess the effects of terrorism in the Middle East countries. The result reveals that terror negatively impacted all economic variables, mainly tourism. Gaibulloev & Sandler (2011) examined the adverse effects of domestic and transnational terrorism on income per capita growth for 51 African countries for 1970 – 2007. The study employed the fixed-effects panel estimator. It was found that transnational terrorism had a significant, but modest impact on per capita growth income. It was also found that domestic terrorist events do not affect income per capita growth. Sezgin (2003) examined the relationship between military spending, terrorism, and the economy. It was established that the state had two ways to refrain from terrorist attacks. They may either increase spending on defence or invest in education and health to boost the wellbeing of people who could be involved with terrorist acts.

Meierrieks & Gries (2012) examined the relationship between country economic performance and terrorism for 18 Latin American countries from 1970 – 2007. They found that the link between terrorism and economic growth differs according to country development. Unfried & Kis-Katos (2020) investigated the heterogeneous impact of conflict on education in sub-Saharan Africa with their Spatial Analysis. By integrating 66 rounds of DHS surveys with details about geo-coded conflict. The study identifies the conditions under which and to what extent armed conflicts endanger children's long-run educational achievement in rural Sub-Saharan Africa. The result reveals that high-intensity conflicts in strong autocracies reduce local educational achievement but are insignificant. However, low-intensity localized conflict doesn't affect education. To poor states, the lack of human resources is often felt seriously.

To the best of our understanding, very few studies have examined the impact of terrorism on economic growth in Nigeria. The closest study to our study is the study by Edeme & Nkalu (2019). This study, however, did not examine the impact of terrorism on human capital development. This is relevant, given the poor human capital development of Nigeria, which can be attributed to the increasing terrorists' attacks that have led to thousands of deaths and kept thousands homeless. Our study also differs from previous studies in terms of methodology as well as variables in the estimated equations and indicators of the variables.

3. Methodology

3.1 Data and Data Sources

The study used annual data covering the 1981 – 2019 sample periods. The data is sourced from the World Development Indicators (WDI), the Global Terrorism Data Base (GTD) and International Country Risk Guide (ICRG). The dependent variables are economic growth – measured by gross domestic product (GDP) growth rate and human capital development – measured by the index of human capital development. The main independent variable is terrorism – measured by the Nigeria terrorism index. The other variables included in the study are internal and external conflicts – measured by the total displaced by internal conflict and violence, number of battle-related deaths; government expenditures on security; and domestic investment – measured by gross fixed capital formation.

3.2 Empirical Model

To capture the effect of terrorism on economic growth, which is our first objective, the following functional form (henceforth, called the growth equation) is specified as:

$$GDPGR = f(TERR, INTCONF, \text{EXTCONF}, GOVSEC, DINV) \qquad (1)$$

Where GDPGR is GDP growth rate – the measure of economic growth, TERR is terrorism, INTCONF is internal conflict, and EXTCONF is an external conflict. GOVSEC represents government expenditure on security, and DINV is a domestic investment. As explained by the neoclassical and endogenous growth theories, faster economic growth rates are associated with greater backwardness in economic growth. In other words, developing countries such as Nigeria could have faster economic growth than developed countries. This is known as the "convergence" and technological diffusion effects in the neoclassical and endogenous growth theory. To capture this effect in our growth model, the model is made dynamic by including the first lag of the dependent variable. By taking the first lag of the dependent variable, the model for estimation is specified as:

$$GDPGR = \beta_0 + \beta_1 IGDPGR_{t-1} + \beta_2 TERR + \beta_3 INTCONF + \beta_4 \text{EXTCONF} + \beta_5 GOVSEC + \beta_6 DINV + u_1 \qquad (2)$$

Where β_i, (i = 1,2, …6) is parameters while u_1 is the error term. To determine the effect of terrorism on human capital development, which is our second objective, we specified the following functional form (henceforth, called the human capital development equation):

$$HKD = f(TERR, INTCONF, EXTCONF, GOVSEC, DINV) \tag{3}$$

Similarly, we specify a dynamic model as:

$$HKD = a_0 + a_1 HKD_{t-1} + a_2 TERR + a_3 INTCONF + a_4 EXTCONF + a_5 GOVSEC + a_6 DINV + u_1 \tag{4}$$

Where HKD is human capital development, measured by the human capital development index. Other variables remained as earlier defined. Several econometric problems are possible from the estimation of equations (2) and (4). For example, including a lag dependent variable as an explanatory variable could generate autocorrelation. To overcome the econometric problems, the study uses the System Generalized Method of Moments (SYSTEM-GMM) technique. We chose this technique over other techniques such as the Ordinary Least Square (OLS) technique because the OLS estimator could be biased given the fact that most of the explanatory variables may have a causal relationship with the dependent variables.

4. Results

The Augmented Dickey-Fuller and Phillips-Perron unit root tests were employed in testing for the stationarity of the variables, while the Johansen cointegration test was used in testing for the cointegration. The unit root and the cointegration test results are reported in Table 1 below.

Table 1. Augmented Dickey-Fuller and Phillips-Perron unit root tests, and Johansen cointegration test results

Panel A: Unit Root Tests									
Augmented Dickey-Fuller Test					**Phillips-Perron Test**				
Variable	ADF – Statistic		Lag	~I(d)	Variable	PP – Statistic		Lag	~I(d)
	Level	1st Diff.				Level	1st Diff.		
GDPGR	-3.520	-6.262*	1	I(1)	GDPGR	-3.219	-8.251*	1	I(1)
TERR	-1.807	-4.099*	1	I(1)	TERR	-1.820	-5.674*	1	I(1)
INTCONF	-1.771	-6.780*	1	I(1)	INTCONF	-3.392	-3.792*	1	I(1)
EXTCONF	-1.221	-5.624*	1	I(1)	EXTCONF	-3.227	-3.727*	1	I(1)
DINV	-2.032	-4.290*	1	I(1)	DINV	-2.191	-6.419*	1	I(1)
GOVSEC	-3.330	-6.356*	1	I(1)	GOVSEC	-2.218	-4.648*	1	I(1)
HKD	-3.896	-9.065*	1	I(1)	HKD	-3.439	-5.599*	1	I(1)

Where * denotes significance at 5% and the rejection of the null hypothesis of the presence of unit root. The optimal lag lengths were chosen according to Akaike's final Prediction Error (FPE) criterion. The estimated unit root models include trends. The ADF 5% Critical value at the level is -3.552 and, at 1st difference is -3.556. On the other hand, the Phillips-Perron

Critical value at the level is -3.548 and, at 1st difference is -3.552.

Panel B: Johansen tests for cointegration for variables in equation (2)

MaximumRank	Eigenvalue	Trace Statistics	5% critical value
0	-	116.3271	109.99
1	0.7386	66.6869*	82.49
2	0.5533	36.8708	59.46
3	0.3394	21.5305	39.89
4	0.2259	12.0565	24.31
5	0.1593	5.6351	12.53
6	0.1408	-	-

Panel C: Johansen tests for cointegration for variables in equation (4)

MaximumRank	Eigenvalue	Trace Statistics	5% critical value
0	-	85.7381	82.49
1	0.6337	48.5814*	59.46
2	0.5249	21.0466	39.89
3	0.2234	11.6902	24.31
4	0.1617	5.1642	12.53
5	0.1294	0.0356	3.84
6	0.0010	-	-

Source: Computed by the authors

The table is divided into panels A, B and C. Panel A showed the Augmented Dickey-Fuller and Phillips-Perron tests results, while panel B reports the cointegration result for the growth equation (equation 2). Panel C contains the cointegration result for the human capital development equation (equation 4). As shown in panel A, none of the variables was stationary at the level in both the Augmented Dickey-Fuller and Phillips-Perron tests. Therefore, the variables were differenced once and tested again. At the 1st difference, the variables became stationary. This means that the variables are integrated of order (1). The Johansen test for cointegration for the variables in the growth equation (panel C), showed two significant trace statistics, indicating two cointegrating equations. This means that the variables have a long-run relationship. Similarly, the Johansen test for cointegration for the variables in the human capital development equation (panel C), showed two significant trace statistics, indicating two cointegrating equations. It also means that the variables in equation (4) have a long-run relationship. Employing the

GMM regression technique, equations (2) and (4) were estimated and the result is reported in Table 2.

Table 2. Impact of terrorism on economic growth and human capital development

Panel A: Impact of terrorism on economic growth				
GDPGR	**Coefficients**	**Standard Errors**	**z-stat**	**P-value**
$GDPGR_{t-1}$	0.3948	0.1469	2.69	0.007
TERR	-0.0186	0.4224	-0.04	0.965
INTCONF	-7.4000	1.0800	-0.69	0.491
EXTCONF	-0.00029	0.0003	-0.96	0.335
DINV	1.7000	5.4500	3.12	0.002
GOVSEC	-.00009	0.0000	-1.71	0.088
Constant	1.5998	2.2843	0.70	0.484
Hansen's J chi2(0)	1.5 (p = 0.0037)			

Panel B: Impact of terrorism on human capital development				
HKD	Coefficients	Standard Errors	z-stat	P-value
HKD_{t-1}	0.6410	0.1574	4.07	0.000
TERR	-0.0100	0.0091	-1.10	0.271
INTCONF	-4.1500	1.4800	-0.28	0.779
EXTCONF	-3.2600	5.5600	-0.59	0.558
DINV	1.5600	1.4900	1.05	0.294
GOVSEC	-3.1400	2.1300	-1.47	0.141
Constant	0.1575	0.0748	2.11	0.035
Hansen's J chi2(0)	2.2 (p = 0.0014)			

Source: Computed by the authors.

Panel A of Table 2 reports the result of the impact of terrorism and other variables on economic growth, while panel B shows the result of the impact of terrorism on human capital development. In panels A and B, the coefficients for terrorism, internal and external conflicts and government security expenditure are negative, while domestic investment and initial growth and human capital development are positive.

Terrorism had a negative and insignificant impact on both GDP and human capital development. An additional terrorists attack results in a 0.02% significant reduction in GDP, and a 0.01% in significant reduction in human capital development. Although not significant, any additional terrorist attack costs 0.02% GDP and 0.01% human capital development. This means that terrorism leads to a reduction in economic growth and human capital development.

The coefficient for the internal conflict in panels A and B is -7.4000 and -4.1500 with t-values of -0.69 and -0.28 respectively. This means that internal conflict reduces GDP and human capital development by 7.40% and 4.15% respectively. Any additional internal conflict brings about a reduction in economic growth and human capital development.

Similarly, the coefficient for external conflict is negative in panels A and B. This means that external conflict negatively impacted economic growth and human capital development. Any additional external conflict brings about a reduction in economic growth and deterioration in human capital.

Domestic investment showed a positive coefficient in panels A and B, but significant only in panel A. This shows that domestic investment has a positive and significant impact on economic growth and a positive and insignificant impact on human capital development. It means that domestic investment is a significant instigator of economic growth, and enhances human capital development insignificantly.

The negative and insignificant coefficient of government security expenditure means that either government security expenditure is insufficient or is not appropriately allocated to control conflict and to create the enabling environment for positive growth rate and human capital development.

The coefficients of initial economic growth rate and initial level of human capital development in panels A and B respectively are positive and significant. This indicates the presence of "convergence" and technological diffusion effects in line with the predictions of the neoclassical and endogenous growth theory. Both initial economic growth rate, as well as the initial level of human capital development, result in further economic growth and human capital development. Faster economic growth rates and human capital development is associated with greater backwardness in economic growth and human capital development.

5. Conclusion and Policy Recommendations

This paper specifically examined the impact of terrorism and other variables on economic growth and human capital development. The GMM technique was employed for the data analysis. The study posits that terrorism negatively affects economic growth and human capital development. It draws nations backwards in terms of economic growth and the development of human capital. Internal and external conflict is also detrimental to Nigeria's economic growth and the development of human capital. Economic growth and human capital development are not feasible in the presence of internal and external conflicts. Domestic investment instigates both economic growth and human capital development. Government security expenditure has not yielded meaningful economic growth and human capital development. This can be attributed to either insufficient expenditure on security or inappropriate allocation or mismanagement of security funds. Establishing a bank of security and directly funding security could contribute to remedying the terrorism situation. Establishing a bank of security can also be a channel where armed forces and other security personnel who died in service to the nation can be compensated. This will encourage the armed forces in the battle against terrorism.

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