



National Insecurity and Investment in Nigeria

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Abstract

This research examined the impact of National Insecurity on Investment in Nigeria from the period 1986-2020. In a bid to actualize the main objective of the study, data were collected from secondary sources such as various editions of CBN statistical Bulletin, National Bureau of statistics and reports from the Nigerian military budget. The model of this study was built based on Keynes National income model and data were analyzed using Augmented Dickey-Fuller (ADF) Unit Root test, Johanson co-integration test and Error Correction Model. The selected variables (i.e Investment, Government Expenditure on Emergency cases, Government Expenditure on Ammunition and Government Expenditure on Amnesty) had a co-integrating relationship indicating a long run relationship among the variables used in the study. The coefficient of the Error Correction Model is correctly signed as it is negative but statistically significant at the 0.05 level which is an indication that any disequilibrium in the system will be restored at the speed of 34% approximately. Based on the conclusion of this study, it is recommended that government and its agents should look beyond the issue of tribalism, religious interests and Nepotism and focus on a quick response to increasing budget allocations for the purchase of required ammunitions to tackle the insecurity in Nigeria. The government should also set up agents to effectively monitor the proper utilization of the funds allocated for this purpose.

Keywords: Insecurity, Investment, Government, Spending, Amnesty, Ammunitions.

1. Introduction

In recent times the issue of national insecurities has posed a lot of threats to the citizens of Nigeria ranging from Boko haram insurgencies, Fulani herdsman killings and kidnapping activities which have had a lot of implications on economic activities in the economy. The number one responsibility of any government is the provision of adequate security without which investment which is the engine of economic growth would be impossible. (Nwanegbo & Obigo, 2013). According to Punch “Nigeria newspaper of October 31st 2018”, over 1.1 million Nigerians have stripped into extreme poverty through loss of job, loss of business and displacement from Boko-haram insurgency areas in just four months which brings the total number of Nigerians living below poverty mark of \$1.90 per day to 88million, overtaking India. In June 2020, the world poverty clock estimated that 95,816,700 poor people are currently living in Nigeria, a number that accounts for about



49% of her total population of 201million. If the issue of insecurity lingers in Nigeria poverty is likely to get worse as the gap between the rich and the poor has continued to widen. Moreover, the issue of growing rate of unemployment in Nigeria increased to 27.30 percent in the third quarter of 2019 from 23.10 percent in the second quarter. According to Ekpo (2016), a country that is experiencing insecurity will be characterized by low investment which is the fundamental factor for unemployment in any economy. Nigeria is reputed to be buoyantly blessed with enormous minerals and human resources. Nevertheless, the country has been known to be high-risk market for insecurity thus affecting investment and economic growth.

Most of the researches in the area of insecurity in Nigeria such as Bloomerg, Hess and Weerapana (2004), Sandler and Enders (2004), Ajibola (2016), Achimba, Ighonnerho and Akpor (2013) etc. have not taken a deep investigation into the Intervention of the government through spending to curb national insecurity. Therefore, this study seeks to fill the gap in literature in the area of quick intervention of the government to the issue of war and unrest using Government Spending on Emergency Cases, Government Spending on Ammunitions and Government Spending on Amnesty as national insecurity variables. This is the problem of this study. The objectives of this study are to investigate the short and long run relationships between national insecurity variables (such as government expenditure on emergency case, government expenditure on ammunitions and government expenditure on amnesty) and investment in Nigeria. The statement of hypothesis for this study is H_0 : There is no short and long run relationship between national insecurity and investment in Nigeria. Data were collected from secondary sources such as various editions of CBN statistical Bulletin, National Bureau of statistics and report from Nigerian military budget from 1986 to 2020. It is against this background that this study therefore prepares to critically provide a comprehensive analysis of national insecurity and its resultant effects on investment in Nigeria, while other studies on insecurity have looked into numbers of death rolls in the country due to national insecurity, this study shall examine government Expenditure on emergency case of insecurity government Expenditure on ammunitions and government Expenditure on amnesty as national insecurity variables.

2. Literature Review

Conceptual Clarification

Achumba (2013) defines insecurity from two perspectives; firstly, insecurity is the state of being open or subject to danger or threat of danger, where danger is the condition for being susceptible to harm or injury. Secondly, insecurity is the state of being exposed to risk or anxiety, where anxiety is a vague unpleasant emotion that is experienced in anticipation of some misfortune. These definitions of insecurity underscore a major point that those affected by the situation are not only uncertain or unaware of what would happen but they are also vulnerable to the threats and dangers if they occur. (Ajufo, 2013); Rejda and Haley (2014) see economic insecurity as a chronic state or condition during which an individual or family has insufficient financial resources to satisfy basic needs and wants including



food, housing, medical care, transportation and similar needs. Insecurity in a general term refers to a state of being subjected to fear, threat, danger, molestation, intimidation, harassment etc. in all aspects; for example, insecurity can be conceived as threats to the state which often accounted for the race for arms and nuclear weapons to defend the state as opined by Ajodo-Adebanjo and Okorie, .(2014). According to Saliu Luqman and Abdullahi. (2007), human threat to life emanates not only from situation of violent conflicts but also other non-conflict sources. Thus insecurity is a situation of fear or anything that causes fear, harm or has the capability to cause fear, harm, injury or destructions to an individual, group or nation. The concept of insecurity connotes different meanings such as absence of safety, danger, hazard, uncertainty, lack of protection and lack of safety: According to Beland (2005) insecurity is a state of fear or anxiety due to the absence or lack of protection. Beland (2005) defined insecurity “as the state of fear or anxiety stemming from a concrete or alleged lack of protection”. It refers to lack or inadequate freedom from danger. This definition refers to physical insecurity which is the most visible form of insecurity and its feed into many other forms of insecurity such as economic security and social security. In the context of this research work, insecurity is defined as a breach of peace and security whether historical, religious, ethno-regional, civil, social, economic and political that contributes to recurring conflict and leads to wanton destruction of lives and properties. According to (Ikeke, 2014) violent conflicts are performances of thoughtful violence leading to unswerving attack on people, physical or psychological truthfulness or psychological integrity. This author argues further that it involves all kinds of homicide, extermination, confrontation, lawbreaking, massacre, assassinations and terrorism Violent conflicts emerge from all type of coercive or brutal action concerning bodily or emotional misery when one or two persons, groups, parties, communities involved in discrepancy that leads to dispute and struggle over resources. In this category are cases of armed robbery, abduction for ransom, stealing, torture, political riots and assassination, rape, religion and ethnic violence (Edigin, 2010; Esivi, 2016; Ubhenin, 2013) etc.

Unemployment has been the singular view, some economists have for economic insecurity; Scheve and slaughter (2002) argued that economic insecurity among workers may be related to deteriorating employment and wage interaction with employers. However today widespread insecurity requires economists and policy makers to look beyond a few aggregate statistics. The concept of growth is used in all fields of human endeavour. In economics, the concept refers to economic growth (Osinubi, 2005). According to him, growth is often interpreted by many Economist to mean increase in the volume of goods and services (output) produced by a country for a given period of time usually, one year. Some economists also viewed economic growth quantitatively by measuring output. Kinderberger (1965) and Jhingan (2007) defined it simply as more output. Economic growth is measured by the amount of increase in goods and services produced in a country.

In Keynesian terminology, investment refers to addition to capital equipment which enables increase in the production of capital goods (Jhingan, 2003). The term, investment,



according to Ibenta (2005), may be defined as accumulation and commitment of fund in financial and real assets with the objective of obtaining income over time. He further posits that it is a commitment of resources made in the hope to realising benefits that are expected to occur over a reasonable period of time in the future. Investment can also be referred to as the production of capital goods (Heim, 2008). Investment thus includes new plant and equipment, construction of public works like roads, dams, buildings, etc. Investment can be defined as the outlay of money for future use (Agu, 2015). On the bases of the above definitions, investment involves an outlay of fund with the expectation of future income. Investment can be divided into autonomous and induced investment. Autonomous investment is service based and not induced by demand as it is not influenced by immediate returns while induced investment is largely profit motivated. Autonomous investment is in the purview of the public sector and therefore propelled by the government. Thus investment is made by the public sector and the private sector. All government capital expenditures form public investment. Private sector investment include all investment made by the private sector, these include domestic investment, and foreign private investment. According to Adetiloye and Adeyemo (2012), real domestic investment is expenditure made to increase the total capital stock in the economy. This is done by acquiring further capital producing assets and assets that can generate income within the domestic economy. The domestic investment is the gross fixed capital formation in the economy. This can be divided into private sector capital formation and public sector capital formation. The domestic private sector investment has also been proxied by credit to private sector from the financial system. However, foreign private investment comprised foreign direct investment and foreign portfolio investment. Foreign direct investment (FDI) is a direct investment into production or business in a country by an individual or company of another country, either by buying a company in the target country or by expanding operations of an existing business in that country. Foreign direct investment is in contrast to portfolio investment which is a passive investment in the securities of another country such as stocks and bonds. World Bank (1996) conceptualized Foreign Direct Investment (FDI) as investment that is made to acquire a lasting management interest (usually 10% of voting stock) in an enterprise operating in a country other than that of the investors. Such investment may take the form of either “Greenfield” investment (also called mortar and brick investment) or merger and acquisition (M&A), which entails the acquisition of existing interest rather than new investment. In corporate governance, ownership of at least 10% of the ordinary shares of voting stock is the criterion for the existence of a direct investment relationship. Ownership of less than 10% is recorded as portfolio investment (Suhendra & Anwar, 2014).

Terrorism and Insecurity in Nigeria

In recent times, Nigeria has witnessed an unprecedented level of insecurity and terrorism since the advent of the present democratic dispensation. The pattern of insecurity has been regionalized: militia groups in the south, insurgency in the north, kidnapping in the east and south, ritual killings in the east and west, political and non-political calculated



assassinations across the nation. The regional pattern of insecurity has given rise to regional security formation in the country in a bid to curtail the alarming rate of insecurity. Boko Haram emerged as radical fundamentalist sect, formed by Ustaz Mohammed Yusuf, in 2002 in Maiduguri, Borno state. In 2004, it moved to Kanamma, Yobe state, where it set up a base called Afghanistan (Ikenga and Efebeh, 2013). The sect officially calls itself “jama’atul Alhul Sunnah Liddo’ wati Wal Jihad” Nwanegbo and Odigbo, 2013; Ikenga and Efebeh 2013; Meehan and Speier, 2011).

Empirical Review

A plethora of studies have shown that insecurity resulting from terrorism negatively affects the economic growth of many countries. For instance, Blomberg, Hess and Weerapana (2004) discover that terrorists activities’ rate is quite higher in the high income countries during periods of recession. Using panel regression analysis, these authors found that terrorism had a negative impact on economic growth. They concluded that the impact is less significant in advanced economies than developing countries. Similar results were obtained by Sandler and Enders (2004) when they compared the impact of terrorism on developed and developing countries, reason being that developed countries had vast economies and any terrorist activities, may result in reallocating resources among various sectors of the economy which is not the case with developing countries. Bloomberg, Hess and Orphamides (2004) carried out a study on 177 counties ranging from 1968 to 2000 (pooled cross section data). The panel estimates shows that insecurity and terrorism has a small effect on per capita income growth for all samples, and it reduces investment and consequently exportation of goods to foreign economy. Tavaries (2014) carried out another study on the cost of insecurity, using sample size ranging from 1987 to 2001. The result showed that insecurity had a significant but negative impact on GDP growth. Crupta (2004) studied the impact of armed conflict and terrorism on macroeconomic variables using sample size of 68 low and middle income counties. It was observed that conflict indirectly reduces economic growth by increasing defense spending share of government expenditure. Eeksterin and Tsiddon (2004) investigates the effect of terrorism on the macro economy of Isreal, using quarterly data from 1980 through 2003. Applying vector autoregression (VAR), the result showed that terrorism has a significant negative impact on per capita GDP, investment and export.

Ganbulloer and Sandler (2009) in their study of terrorism and conflict on growth in Asia 1970-2004 observed that transactional terrorism attacks had a significant growth limiting effect, it reduces growth by crowding in government expenditures. Achimba, Ighomereho and Akpor (2013) in their study on insecurity in Nigeria and its implication for business investment and sustainable development indicated that insecurity challenges in the country is enormous and complex and would continue to be, if the situation remains unabated. Ajibola (2016) focuses on economic growth amidst insecurity in Nigeria with the effort to explain the impact of security on investment measured by economic growth using time series data from 1981 to 2014. On real gross domestic product, Total Expenditure on security, gross fixed capital formation, Total labour force, corruption perception index and



poverty index to show the empirical relationship through the use of multiple regression (OLS) method. The study found out that 90% systematic variation in real GDP is caused by variation in total labour force, total expenditure on security, corruption perception index, poverty index, unemployment rate, inflation rate and gross fixed capital formation. The study showed that security and other related variables do not only contribute positively to economic growth in Nigeria but its impact on economic growth is strong and statistically significant. Also, Nigeria’s potential GDP growth rate is 11% while the actual growth rate is 6% which implies that the country’s economy is different due to the level of insecurity, corruption, unemployment and poverty.

3. Methodology

The study uses annual time series data. The time span covered is 1986 to 2020. The data were obtained mainly from various secondary sources such as National Bureau of Statistics, Annual Report and Statement of Accounts and other documents of the Central Bank of Nigeria. On the basis of this study, Keynes (1936)’s model on theory of free market demand and supply forces which could stabilize an economy through increase in economic activities in order to move an economy from its depression which occurred as a result of the global war characterized by insecurity surrounding human living was adapted. Therefore, Keynes demonstrated that investment growth depends on domestic demand and the net exports. In his analysis, he obtained the specification below:

$$IVT = f(NEX, GSE, GSA) \dots\dots\dots 1$$

Where IVT is investment, NEX represents net export, GSE is government expenditure on emergency, GSA denotes government expenditure on ammunitions. All these were introduced in order to tackle the insecurity affecting human existence; f is a functional notation. In this study, equation (1) above is modified by replacing net export with government expenditure on amnesty (GSM). This is because government expenditure on amnesty will enhance output productivity through the willingness to forgo crimes thereby increasing output returns in the productive economy, hence it is a determinant of investment in the economy. The error correction model (ECM) is hereby stated thus:

$$D(IVT_t) = \alpha_0 + \alpha_1D(GSE_t) + \alpha_2D(GSA_t) + \alpha_3D(GSM_t) + \alpha_4ECM_{t-1} + \epsilon_t \dots\dots\dots 2$$

Where D is the first difference operator, t is the time, $\alpha_0, \alpha_1, \alpha_2, \alpha_3$ and α_4 are the parameters to be estimated, ECM_{t-1} is the error correction term, ϵ_t is the equilibrium error term with zero mean and constant variance and every other variable is previously defined.

The time series properties of the data are analyzed using the Augmented Dickey-Fuller (ADF) and unit root test of Dickey and Fuller (1979). The test for the co-integration was conducted using the Johansen (1988) maximum likelihood procedure. If the computed value of trace statistic and max-eigen statistic exceed critical values, one can reject the hypothesis of no co-integration and vice versa. Since equilibrium is a long run phenomenon, there is a possibility that the model may deviate from the long-run equilibrium within the given short-run period. In order to estimate such deviation, the study



finds error correction mechanism appropriate. If the coefficient of $ECMt_{t-1}$ is non zero, it shows that the model is not in equilibrium. Suppose the coefficient of $ECMt_{t-1}$ is positive, it shows that the model is diverging from equilibrium. The positive coefficient of $ECMt_{t-1}$ indicates that the model will return to equilibrium but only after a long period of time. Conversely, a negative α_4 shows that the model is converging towards the equilibrium and it will be restored to equilibrium in the short period. Based on the theoretical framework of this study, the coefficients of government expenditure on emergency, government expenditure on ammunition and government expenditure amnesty are expected to be positive.

This study employed Error Correction Mechanism approach to analyze the relationship between investment, government expenditure on emergency care, government expenditure on ammunitions and government expenditure on amnesty. All variables were tested to confirm the absence or presence of unit root problems using Augmented Dickey-Fuller (ADF) in order to avoid spurious regression. The ADF is an adjusted type of dickey and fuller (1981) test for stationarity. It is used to test for unit root in such situations where the disturbance in the series, t , do not follow a white noise process. In such cases, the error in the series may be serially correlated. The ADF equation for testing unit root is described below:

$$\Delta Y_t = \beta_1 + \beta_2 t + \delta^* Y_{t-i} + \sum_{i=1}^p \alpha_i \Delta Y_{t-i} + \epsilon_t \dots\dots\dots 3$$

Where:

$$\alpha_i = \sum_{k=i+1}^p \delta_k \quad \text{and} \quad \delta^* = \left(\sum_{i=1}^p \delta_i \right) - 1 \dots\dots\dots 4$$

Where: ϵ_t represents Gaussians white noise which is assumed to have a zero mean but possible serial correlation, Y denotes series to be regressed on time, “ t ,” β for the trend parameter, and μ for intercept. P denotes the maximum number of lags which is decided using Akaike Information Criteria (AIC). The null hypothesis is given as $H_0: \beta_1 = 0$ and $\beta_2 = 0$ meaning there is unit root against the alternative $H_1: \beta_1 \neq 0$ and $\beta_2 \neq 0$ meaning there is no unit root. This preference creates space for higher order of auto-regressive method (Greene 2003). The unit root equation stated above basically permits a null hypothesis test for trend, trend and intercept,

4. Results

Descriptive Statistics for the Model

The data for the study was compiled into a single table, which is shown in Table 1 because they are all midway between the maximum and lowest values, the mean values produced are appropriate gauges of central tendency. In the Nigerian economy, Investment as a percentage of Total Productivity averages around 10.97%, while the highest and lowest values are 15.10 and 7.81 respectively. For Government Expenditure on Emergency Case the average value obtained is 20.75%, with the maximum and minimum values being 28.16 and 15.97 respectively. For Government Expenditure on Ammunition the average value in



Nigeria is 4.98% with a maximum and minimum being 6.85 and 2.34 respectively. For Government Expenditure on Amnesty the average value obtained is 4.77%, with the maximum and minimum values being 6.82 and 1.16 respectively.

Table 1: Descriptive Statistics

Variables	Obs	Mean	Median	Std Dev.	Maximum	Minimum
LIVT	34	10.97196	10.40624	2.282840	15.10325	7.814148
LNGSE	34	20.75390	17.72375	4.754637	28.16448	15.96729
LNGSA	34	4.976196	4.781624	1.490257	6.848005	2.341806
LNGSM	34	4.765344	5.536978	1.809989	6.815201	1.163151

Source: Computed by the Authors

Unit Roots Outputs

Since the study used time series data, the first step is to establish the stationarity or otherwise of the variables, a unit root test was carried out using the ADF methodology.

Table 2: Summary of ADF Unit Root Test with trend and intercept

Variable	ADF test statistics	Mackinnon Critical value @ 5%	No of time difference	Remark
LN IVT	-4.031607	- 2.974853	I (1)	Stationary
LN GSA	-7.649831	-2.954021	I (1)	Stationary
LN GSE	-6.224221	-2.954021	I (1)	Stationary
LN GSM	-6.359154	-2.960411	I (1)	Stationary

Source: Computed by the Authors

The results of unit root test above indicate that the variables used in the study on Investment, Government Spending on emergency Case, Government spending on Ammunitions and Government Spending on Amnesty are integrated with the same order of I (1) respectively – This means that the variable are stationary at their respective first difference

Co-integration Test Results

Having established the stationarity of the variables, the study determine the existence of a long run equilibrium relationship among the variables in the model. To undertake this, it employs the Johansen Co-integration techniques. The results are presented below:

Table 3: Johansen Co-Integration Test. (Trace Statistics)

Hypothesized number of (ECS)	Eigen value	Trace statistics or likelihood ratio	5% critical value	Prob**
None*	0.606752	62.04485	47.85613	0.0014
At most 1*	0.460969	31.24548	29.79707	0.0338
At most 2	0.221397	10.85205	15.49471	0.2207
At most 3	0.075586	2.593655	3.841466	0.1073

Source: Computed by the Authors

From Table 3 above there exist a long run equilibrium relationship in the model. The trace statistics shows that there are 2 Co-integration equations among series since the likelihood ratio (62.04485) is greater than 5 percent critical value (47.85613) at None hypothesised No of Ecs (None*) and (31.245448) is greater than (29.79707) at 5% critical value.



Table 4: Johansen Co-Integration Test (Maximum Eigen Statistics)

Hypothesized No of Ecs	Eigen Value	Max Eigen Statistics	5% Critical Value	Prob**
None*	0.606752	30.79937	27.58434	0.0186
At most 1	0.460969	20.39342	21.13162	0.0632
At most 2	0.221397	8.258399	14.26460	0.3530
At most 3	0.075586	2.593655	3.841466	0.1073

Source: Computed by the Authors

From Table 4 above, it shows that there exist a long run equilibrium relationship in the model using the Maximum Eigen statistics (30.79937) which is greater than 5% critical Value (27.58434) at None hypothesized No of ECS (None*). All the variables therefore stand significant. Having established the long run relationship among the variables in the model, we switch to the short run Error Correction Model

Table 5: Long Run Results

Variable	Coefficient	Std. Error	t statistics	Probability
C	-4.147816	1.920873	-2.159339.	0.0387
LNGSE	-0.089364	0.137155	-0.651554	0.5195
LNGSA	1.154017	0.387312	2.979552	0.0056
LNGSM	1.045255	0.329709	3.170230	0.0034

Source: Computed by the Authors

From Table 5 above, the results of the long-run shows that GSE is inversely related to Investment which is contrary to the a priori prediction. However, GSA and GSM d exhibit direct relationship conforming to the a priori expectation. In addition, the value of the GSA and GSM are statistically significant at 5 per cent level.

Error Correction Model (ECM)

The error correction model measures the speed of adjustment to equilibrium. The result of the Error Correction Model (ECM) conforms to the rule if the value of its coefficient is negatively signed and also statistically significant if the p-value is found ≤ 0.05 . The result obtained demonstrate that the present value of the dependent variable will adjust back to long-run equilibrium in the independent variable at speed of 34 per cent approximately. A higher percentage of ECM indicates a feedback of that value or an adjustment of that value from the previous period disequilibrium of the present level of dependent variable and the present and past level of the independent variables. The over-parameterized ECM is being made by the lagged value of each variable while the parsimonious ECM consider the variables that adjust rapidly to equilibrium among the lagged variables. Table 7 and 8 below show the result of both over parameterized and parsimonious ECM on the specified parameters.

The Table 6 and 7 above show the over-parameterized and parsimonious results. The negative sign of ECM values in both table 6 and 7 indicate that the ECM is appropriately signed also statistically significant at the 0.05% level. This implies that the present value of 0.3360 has a feedback of about 33.60% from the previous period of disequilibrium to the



present level of IVT in a bed to determining causality between the past level of IVT and the present and past levels of GSE, GSA and GSM.

Table 6: Over-parameterized ECM

Variable	Coefficient	Std. Error	t statistics	Probability
C	0.214908	0.275102	0.781193	0.4454
D(LNGSE)	-0.384829	0.209162	-1.913031	0.0727
D(LNGSA)	0.300276	0.265558	1-130738	0.2739
D(LNGSM)	0.171180	0.221230	0.773765	0.4497
D(LNGSE(-1))	0.215687	0.186702	1.155248	0.2640
D(LNGSA(-1))	0.055433	0.265299	0.208944	0.8370
D(LNGSM(-1))	-0.098281	0.269841	-0.3642117	0.7202
D(LNGSE(-2))	-0.021152	0.184655	-0.114547	0.9101
D(LNGSA (-2))	-0.178278	0.238337	-0.748009	0.4647
D(LNGSM(-2))	0.177744	0.271014	0.655850	0.5207
D(LNGSE(-3))	-0.73523	0.194338	-0.378326	0.7099
D(LNGSA(-3))	0,278055	0.249640	1.113823	0.2809
D(LNGSM(-3))	-0.162568	0.209388	-0.776398	0.4482
(ECM(-1))	-0.060881	0.146339	-0.416028	0.6826

Source: Computed by the Authors

Table 7: Parsimonious ECM

Variables	Coefficient	Std Error	T. Statistics	Probability
C	0.235999	0.269742	0.874908	0.3891
D(LNGSA)	0.512816	0.218568	2.346254	0.0263
D(LNGSE(-1))	0.193727	0.192274	1.007557	0.3223
D(LNGSM(-1))	-0.211628	0.186788	-1.132981	0.2668
ECM (-1)	-0.336052	0.126066	-2665688	0.0126

Source: Computed by the Authors

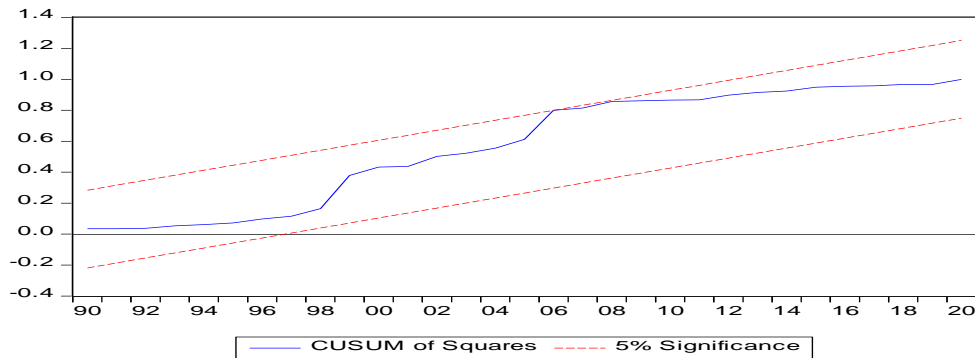


Figure 1: The Stability Tests

The result of CUSUM test above obtained from the model showed that there is evidence of stability in the coefficient at 5% level of significance in CUSUM Test since the cumulative Sum is located inside the area between the two critical lines.



Discussion of Finding

The result of our findings indicates inverse relationship between Investment (IVT) and Government Spending on Emergency Case (GSE) in the long run while having a positive relationship in the short run. The short-run result conforms to the a priori expectation of positive relationship between Investment and Government Spending on Emergency Case, this is in line with the work of Tavaris (2014) who examined the cost of insecurity, using sample size ranging from 1987 to 2001, and found the result same. The positive relationship between Investment and Government Spending on Ammunitions (GSA), is also in line with the expected prediction as found in the short-run and long-run estimates. This finding is in agreement with the results of Achimba *et al.* (2013) who examined the same topic. There is also an indication of positive relationship between Investment and Government Spending on Amnesty both in the short-run as well as the long-run estimates. Both results therefore conform to the a priori expectation in the study and the result conforms with the work of Ajibola, (2016) who investigated similar topic to the study: “unemployment as a rationale for insecurity with special reference to the Nigerian economy”.

5. Conclusion and Recommendations

Our major conclusion in this study is that the primary role of any government is to provide adequate security of life and properties of her citizens and Nigeria is not an exception. In an economy like Nigeria where there is National insecurity of killings, kidnapping of people and destruction of farmland and plantations by Fulani herdsmen is a re-occurrence issue. Urgent means must be taken to curb the situation speedily. The government must put in adequate efforts to spend on emergency case of insecurity, procure ammunitions to the Military troops and be ready to spend on Amnesty in Nigeria. On this note, this study recommends that government and her agents should, look beyond the issue of tribalism religions interest and nepotism and be ready to rescue the dying masses in the hands of Boko Haram, Fulani Herdsmen and other hoodlums in Nigeria. Government should make a rule of law in Nigeria stating that any leader found sponsoring this groups of hoodlums in Nigeria shall be executed. Every Religion” Tribe and political zones must form a formidable group such as Amotekun in the Western Nigeria to assist the government to combat insecurity in Nigeria. Military Generals and Boss should use the fund released to them by the government judiciously, honestly and promptly in order to save life and properties of citizens in Nigeria and make investment to grow for economic development.

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