

BOKO HARAM TERRORISM AND THE PERFORMANCE OF MULTINATIONAL CORPORATIONS IN NIGERIA

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Abstract

The major thrust of this study is to assess the effect of terrorism on Multinational Corporation in Nigeria. The need for this study arose as a result of the perceived increase of Boko Haram activities in Nigeria. The main objective of the study is to examine Boko Haram terrorism and the performance of Multinational Corporations in Nigeria. The study adopted liberal political economy theory as the theoretical framework. The theory contends that free trade policy remains the key to national wealth and power because it encourages economic growth and competitive development. The paper adopted secondary sources of data and the data was analyzed using content analysis. The paper concluded that most of the foreign investors operating in Nigeria has abandoned their companies and run for their dear lives due to the severe attack of Boko Haram .Finally, the paper recommended that the government should open a dialogue channel to know the grievances of the sect in other to create more doors for foreign companies.

Key words: Terrorism, Multinational Corporations, Economic Development, Foreign Direct Investment (FDI), International Business.

Introduction

Terrorism has become a global threat after the attack on World Trade Center (WTC) in New York City by Al-qaida. The world still witness massive increase and immergence of new international terrorist group and global coordinated attacks which claimed thousands of innocent lives and material resources worth billions of dollars were destroyed around the world, despite counter terrorism strategy adopted by world powers to stop further escalation of terrorism attack. In March 2004 the world saw another deadliest terror attack on train bombings in Madrid, which killed nearly 200 people and injured over 2,000 (Eckstein, & Tsiddon, 2004).

More so, attacks also proliferated in Iraq and Pakistan which claims thousands of innocent lives. The Taliban and Al-Qaeda were responsible for the attack David (2003). In early 2005, the Iraqi city of Hillah experienced a devastating Car bombing that took 127 lives and injured hundreds more. Later that 'July, four suicide bombers blew up a London bus Borzou & Saad (2005),. It killed more than 50 people and injured 700. Just to mention but a few, since then the world experience massive human and material loses which has

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negative impacted on human and economic development around the globe. Terrorism has become a global threat and a weapon of the weak against superior force within the context of the struggle for social justice, right of self-determination and political relevance amongst others. Historically, conflict in all its ramifications have been known to result in unquantifiable death, fear and insecurity, terrorism however, is a violent act outside the normal bounds of civil law or conventional military conducts. Terrorism has remained a unique form of violence that has over time assumed more dangerous dimension. While terrorism often seeks legitimacy as political action, it is a criminal offense under nearly every known national or international legal code. It has been responsible for the colossal physical devastations which have occurred in most nations, leaving in its trail a large number of casualties resulting in adverse psychological effects on the national psyches (Mark, 2010).

In Africa, terrorism is not an unknown concept. The North and West region of Africa has been profoundly impacted by nationalist and religious conflicts, which have been attended by destructive acts of terrorism. Within this context, terrorist networks have long been established in the Horn (Sudan, Ethiopia, Eritrea, Djibouti, and Somalia) and along the East African coast (Kenya, Uganda, and Tanzania). In 1973, the American US Deputy Chief of Mission, George Curits Moore, and a Belgian diplomat, Guy Eid, were assassinated by the Palestinian terrorist group Black September in Khartoum, Sudan. This was the beginning of a range of extremist acts of terrorism in the region (LaFree et al, 2010). In 1995, the Egyptian President Hosny Mubarak was attacked by Gama'at al-Islamiyya, an Egyptian terrorist group, in Addis Ababa, Ethiopia. In 1998, al-Qaeda bombarded the US embassies in Dares Salaam, Tanzania, and Nairobi, Kenya, while in 2002 al-Qaeda again bombarded simultaneously an Israel-owned hotel and airliner at Mombasa, Kenya. One of the most tragic examples of internal terrorism in Africa was the genocide in Rwanda in 1994 (Michael & Mark, 2007). Hundreds of thousands innocent people of the Tutsi tribe were massacred, raped and tortured to death, by Hutu, their tribal enemies. This was an ethnic conflict which took the character of an ethnic purge and used massive terror and indiscriminating savagery towards the civilian population. Internal and international terrorism in Africa has flourished because of abortive or weakening states in the region, which allowed financial exploitation by terrorist groups or utilization of internal conflicts to recruit natives to terrorist networks. The most prominent example of terrorist base is Khartoum, Sudan. On Sudanese soil, Muslim extremists are trained to believe in the superiority of Allah and to demand their supposedly justifiable rights by terrorist attacks around the globe (Poland, 2005).

In Nigeria, terrorism can be traced to Boko Haram, which is the most challenging kind of terrorism in Nigeria in present times, which translated as western education is forbidden in Hausa language, whose history begins with a preacher named Mohammed Marwa, born in 1927 (Jackson, 2014). He started his career as preacher; his sermons were extreme and often bizarre. He raged against Western culture and its popularity in Nigeria so virulently that he became known as Maitatsine, meaning "The one who damns." He declared

that reading any book other than the Koran was sinful and a sign of paganism. This included a prohibition on reading the Hadiths or Sunnah. Maitatsine's sermons became increasingly anti-government in the late 1970s, forcing government crackdown on the preacher which further culminated in an uprising in 1980. The death toll from the 1982 riots and subsequent military crackdown was over 4,000 and Maitatsine himself was among those killed. (John, 2014).

Boko Haram was officially created in 2009 by the now deceased Islamist cleric, Mohammed Yusuf, though forms of it have existed under a variety of names since late 1990, Boko Haram aspired to create an Islamic state in Nigeria, and is willing to kill Christians and Muslims, they deemed to be insufficient cues to achieve it. Boko Haram violent insurgency which began in 2009. Boko Haram has led to over 8000 deaths and property worth billions of dollars were destroyed which is the latest bloodiest attack in the history of Nigeria. The group has a loose operating structure, with disconnected cells provided with spiritual guidance by one overall emir Abubakar Shekau. This made it hard for the Nigerian authorities to detect and defeat them; boko haram has also benefited from state corruption and has been able to infiltrate the Government, the Army, and the security services (Jackson, 2014).

This rising threat by Boko haram insurgency and fierce rebellion in 2009, which hundreds of persons were put to death and destruction of international and local property, is resurgent and its followers desire vengeance. They continued to fight a guerrilla war, putting to death policemen as well as persons they consider to assist the security services in the clash against them. Boko Haram exposed Nigeria's national security flop and eluded the fact that the insurgent is a real threat to national security and economic development in Nigeria. As asserted by Zamfir, (2015) although Nigeria has traditionally been an important regional actor in securing peace and stability in West Africa, its army has had obvious difficulties in coping efficiently with the threats posed by Boko Haram.

The threat emanating from the organization has taken on a cross-border dimension. Boko Haram has made incursions into Cameroon, Chad and Niger, attacking villages, business places and military bases, and killing and abducting people. As its militants move quickly across borders, Boko Haram has become increasingly difficult for national security forces, which lacked the coordination to deal with the insurgency. People have fled across borders mainly from, but also into Nigeria posing a major problem for an already fragile region and the entire region is at risk of destabilization through the massive flows of refugees it has triggered (Zamfir, 2015). Therefore, this study is an attempt to examine terrorism and its effect on multinational corporations in Nigeria.

Statement of the Problem

Nigeria economic has been putting into siege due to the emergence of terrorism in Nigeria. Terrorist activities have caused a lot of infrastructure damages, killing of innocent citizens, closing of schools and commercial centers, abuse of fundamental human rights, etc. The most tedious one is the adoption of

school girls, destruction of churches, mosques and market places. This has making international and local businessmen scare to invest in Nigeria.

The reoccurrence activities of sects in the country especially the North-East has resulted investors apathy for the country and resulting in a low inflow of foreign direct investment (FDI), and make investors look for other stable economies to invest their money, in the state of the country, when people feel insecure, their appetite to invest, to buy or rent from the product of investment may reduce. Any country that radiates an environment of insecurity naturally repels investment initiatives from both the international and its local investors, hence, terrorism is a threat to the economic development, political and social security of a nation and is associated with underdevelopment, because it repel both local and foreign investment. Therefore, this paper is an attempt to examine Boko Haram terrorism and the performance of multinational corporations in Nigeria. However, the specific objectives are as follows:

- i. To examine the leading causes of terrorism in Nigeria
- ii. To assess the effect of terrorism on multination corporation in Nigeria
- iii. To identify the efforts in handling terrorism in Nigeria

Conceptual Review

i. Terrorism

The word terrorism just like some other social sciences concepts has proved to be one of the most difficult concepts to define. Perhaps, the only consensus among analysts concerning terrorism is that there is no universally accepted definition of the concept.

According to Schmid (2011), terrorism is a doctrine about the presumed effectiveness of a special form or tactic of fear-generating, coercive political violence and, on the other hand, to a conspiratorial practice of calculated, demonstrative, direct violent action without legal or moral restraints, targeting mainly civilians and non-combatants, performed for its propagandistic and psychological effects on various audiences and conflict parties. Considering the political definitions popular in governmental circles, Badey, notes the definition offered by the US Department of State in 1983 are still in vogue today. However, he noted that terrorism means premeditated, politically motivated violence perpetrated against noncombatant targets by sub-national groups or clandestine agents usually intended to influence an audience (Badey, 1998).

These definitions imply that every terrorist acts depicts a motivation, tactics and victims and achieve certain goals or objective. It also involves the use of violence against a non-combatant targets. Hence, if terrorism is taken to be part of a broader insurgency, countering terrorism may also form a part of a counter-insurgency doctrine, but political, economic and other measures may however, focus more on the insurgency than the specific acts of terror if it must be combated. (Schbley, 2003) thinks that the definition of terrorism must be free from prejudiced approaches. He suggests that the definition should be cleared from politics and asserted into criminal justice. Schbley (2003) sees

terrorism as violent behaviours committed against the symbolic civilians or their belongings. Hoffman (1998) pointed out that a terrorist is a violent thinker who is dedicated and ready for coercive power to reach his political ends. He also asserted the need for differentiation of terrorism and terrorist from the other kinds of violent behaviors and offenders. In terms of this distinction, Howard and Sawyer (2004), sees terrorism as grounded absolutely in political goals and motives involved in violence and or intimidation intended to attain consequences impacting beyond the initial sufferers or targets directed and controlled by an organized group which has a chain of command or a cell structure committed by a subordinate group or an informal structure. Terrorism is a word with great rhetorical power but with limited scientific precision. This is because terrorists in one given situation could be regarded as freedom fighters in another. Drawing a definitude borderline between terrorists and freedom fighters continue to pose a conceptual as well as theoretical default (Gandu, 2009).

In Gandu's view (2009), there is a thin line between freedom fighters and terrorists but the case of terrorism in Nigeria today is clear. There is no part of the country that is under foreign rule or dominance. Nigeria has enjoyed an unbroken stretch of democracy since 1999 with strong political structures that guarantee equal representation and appointments to positions of authority as regulated by the Federal Characters Commission. Nigeria also established among other things, a strong judicial system where aggrieved parties and individuals can resort to and seek redress. The present terrorist activities in Nigeria is not aimed at fighting for political or religious freedom as the 1999 Constitution of the Federal Republic of Nigeria guarantees freedom of worship and political association among others. So, terrorists in Nigeria are not freedom fighters. The 1999 Constitution of the Federal Republic of Nigeria guarantees freedom of religion and worship and no individual or section of the country have been denied these fundamental human rights, whether Christians, Muslims, idol worshippers, atheists or any other religion. Any group or section of Nigeria engaging in terrorism with the aim of fighting for freedom to practice their religion or hold political position might not be fighting a just war. The reason is that, the 1999 Constitution guarantees these fundamental human rights. Those engaging in acts of terrorism in Nigeria based on these issues are rather pursuing selfish agenda which is not anchored on fighting for freedom as posited by (Gandu, 2009).

ii. Multinational Corporations

Historically, the roots of modern MNCs date back to Europe's great trading companies. It started prominently with the Dutch East India Trading Company in 1689 (Rourke 1991). (Aja, 2001) adds that in the 19th century industrial revolution and capitalism in Europe, the export of capital and productivity technology to pre-industrial territories of Africa, Asia and Latin America were championed by the biggest industrial powers notably Britain France, Germany and Italy. The growth of MNCs however declined in the First and Second World War periods (1914-1918; 1939-1945).

Vernon (1978) traces the evolution of MNCs as passing through various stages that can be summarized as the era of tight controls in which international trade was prohibited by governments. However World War I and II removed the barriers through improvements in transportation and technology. The final stage that gave strength to MNCs was the era of reorganization of the common and control mechanism signalling the elevation and absorption of the business done abroad into the mainstream of corporate strategy. Apter (1971) supports the above view when he adds that MNCs developed, in stages from the charter stage to the cartel stage through the tertiary stage of capitalism. He sees MNCs as a modernizing influence among nations, detailing this process through the primary to the intermediate and tertiary stages.

In his view, Guster (1971) notes that MNCs are instrumental to development as it involves the maturation of the indigenous entrepreneurial and management capacities of less developed countries (LDC) and increases the scope for a functional symbolic association between foreign and domestic capital as well as talents. Cohen and Daniel (1981) submit that MNCs are vehicles of advanced technology. Thus, they provide capital and technical-know-how; provide commodities and essential services at cheaper rates for the people. They also transfer and diffuse modern technology to developing countries and fast track development. They conclude that MNCs create employment opportunities to host communities. Cohen and Daniel have also mentioned whether the benefits MNCs supposedly bring to host communities is corresponding to the profit or capital they repatriate to their mother countries.

Similarly, Kay (1982) further argues in support of MNCs that, their transfer of technology has positive effects on development in third world countries. He specifically elaborated this point using the United States MNCs and their contributions in developing countries. He notes that they speed up industrialization through a rapid diffusion of managerial and productive technology. To him the process of MNCs bring the world closer, where productive technology is made available to all countries.

On the contrary, if technological transfer and corresponding development is the reason for the influx of MNCs into third world, why has the continent not been able to match up with the developed world? Perhaps this is why other scholars see the interaction of third world countries with the developed world as facilitated by MNCs as the root of underdevelopment in these host countries.

According to Leat, (2003) multinational corporation is defined as an enterprise 'that in more than one country owns or controls production or service facilities and activities that add value'. It is also one that is primarily located and managed from the country of its origin but produces or services in relatively autonomous overseas subsidiaries to meet the demands of local markets (Rollinson, 2005, Hill, 2005). The product or service can be required to satisfy not only the local market but also international markets, as brands of a certain country can be found in the markets of several other geographically distant countries foreign direct investment or other channels of distribution.

In cases where products are meant for overseas market, overseas subsidiaries may require a high level of operating autonomy to design, develop and market their products (Beamish, Killing, LeCraw and Crockell, 1991). For instance, if levis jeans, an originally American brand, begins operations in the Netherlands which is famously said to be inhabited by the world's tallest people to supply to that market, it has to take the needs of that particular market into careful consideration in its production. Another case in point could be Mobile Telecommunication (MTN), a South African brand, which to penetrate the Nigerian market, had to take due cognizance of the prevailing of the local factors of language, level of sophistication and culture.

The factor that propels the cross-national activities of multinational corporations include, access to resources, economic/ political factors and competitor activity (Guilpin, 1987; Ozolgo and Chukuezi, 2011). The activities of multinationals in achieving the above objectives have come under the intense scrutiny of the transformative perspectives (Parker, 1998). Sparrow (2004) assesses that multinational sun leash a social force which they cannot handle. This implies that the activities of multinationals impact their environmental and this has generated criticisms from different quarters. For instance, environment criticisms (also called green agenda) emanate from the unconstrained activity of multinationals resulting in or accelerating the depletion of resources such as forests and causing global warming (Wild, 2003).

Shamija (2006) argues that MNCs today are perhaps the most controversial phenomenon in the World Economy describing them as a monster that relies heavily upon exploitation and domination of the World. He notes that in Nigeria the flag independence in 1960 has attracted subsidiaries of giant multinational corporations as the powerful catalyst of multi-lateral imperialism. They are seen in the society as Trojan horses whose monopoly capital and advanced technology, backed by enormous political pressure from their home governments constitute the dominant mechanism for integrating this and other third world countries more closely and more pervasively into the international system of capitalist domination.

Theoretical Framework

For an in-depth analysis of Boko Haram terrorism and the performance of multinational corporations in Nigeria, liberal political economy theory **is used as a theoretical framework for this paper**. The writings of liberal political economists have become so broad a church that they can include advocates of uncontrolled markets as well as supporters of strong state intervention in the market. This is a reflection of some of the practical contradictions that Karl Polanyi (1957) first discovered in different historical manifestations of liberal ideas in the aftermath of the industrial revolution in the nineteenth century. Consider, in this respect, whether government policy takes freedom of choice away from individuals, or if the state should establish a legal order that enables individuals to make choices and function as participants in a market system. Polanyi's reasoning offers an insight into the globalising economy of the twenty-first century. In this account, markets are not just abstract constructs that settle

demand and supply for goods through a specific price, as economists would make us believe. Markets are, and always have been, much more. They are social phenomena embedded in broader communities and directly connected with deliberate forms of state action. As a consequence, economic, social and political life is always interconnected. In particular, the widely held belief in the advantage of a self-regulating market process carries with it a basic contradiction in so far as it leads inevitably to a severe disruption of the social fabric in different countries. This disruption can occur because of rising levels of income inequality (why some are paid more than others), foreign takeovers of companies, or fundamental disagreement on what needs to be done during economic recessions to prevent social decay.

Essentially, Polanyi observed two interrelated processes that explain change in the international system. At first, free market principles dominate and the winners from liberal economic policies exert their influence for further political change. Over time, however, the political pressures created will inevitably generate a counter-movement that is opposed to the direction of reform. Other social groups within society will articulate their interests, slow down the speed of modernisation and demand a different form of economic management and policy making. Seen from this angle, the global political economy of the twenty-first century is an attempt to embed globalising markets in transnational social relations – quite similar to what we observed historically in terms of social and economic development at the level of the nation-state.

The early heroes of the liberal approach were Adam Smith and David Ricardo. Smith argued in favour of government non-interference and the superiority of market exchanges guided by the ‘invisible hand’ of the price mechanism. This is a process whereby consumers seek the best quality for the lowest price and this, in turn, compels successful producers to find the lowest-cost method of production. Ricardo explicitly added the gains deriving from a system of free trade built around the principle of comparative advantage. Accordingly, ‘under a system of perfectly free commerce, each country naturally devotes its capital and labour to such employments as are most beneficial to each’. And, ‘this pursuit of individual advantage is admirably connected with the universal good of the whole’ (Ricardo 1817). From this point, international trade liberalisation has been seen as a useful mechanism allocating labour to its most productive uses allowing in turn a much greater consumption of goods than what would be possible in the absence of such a system.

The liberal political economy theory of Adam Smith supports the investment of MNCs. The liberal theory of international trade simply makes a case for free, non-protectionist trade policies and behaviours. Developed by Adam Smith in his famous book, *An Enquiry into the Wealth of Nations* in 1776, the theory assumes that free trade policy remains the key to national wealth and power because it encourages economic growth and competitive development. Adam Smith (1776) added that “government that intervenes least governs the best”. (This is the cornerstone of the capitalist philosophy). The liberal theory of trade has been criticized for its extreme focus on labour and its inability to accommodate other factors of socio-economic formations in our complex economic system.

This theory when applied to the argument for the proliferation of MNCs it will be seen that those who favour these MNCs like (Madden, 1977) see them as contributing to development. They do that by enhancing the volume of trade, finance loans and service debts, assisting the investment of capital that is almost lacking in most developing countries and can aid development, create free trade and remove barriers, carryout research that allows for technological advancement and hence, encourage the training of workers and production of quality goods and services.

Seen from the above submission, it is clear that the liberal theory of international trade is the reason for the unrestricted and unstrategic influx of MNCs into third world countries as the general notion is that trade liberalization will enhance economic development. The liberal theory of international trade is limited as it has only supported the arguments for MNCs as agents of development. Madden's (1977) idea supports the influx of multinational corporation in the third world, countries like Nigeria. The shortcoming of his submission is that he appears to see no disadvantage with the influx of the advance technology of these MNCs and how it will swallow up the development of indigenous technology and hence bastardize local industries. For example, the entrance of MTN Nigeria and other telecommunication MNCs has killed what used to be known as Nitel and later Mtel, a telecommunication company that was operating in Nigeria before 2001.

Research Methodology

The data collected were secondary sources and used content analysis. That was to elicit relevant information. The secondary sources are journals, books, magazine, newspaper, internet, among others. Data collected were analyzed through the use of content analysis. All materials used were dully acknowledged.

Causes of Terrorism in Nigeria

The high incidence of terrorism in Nigeria today and other parts of the world is a social problem that has become a source of worry to many Nigerians. The Nigerian government both at the federal and state level are eager to find the root causes of terrorism and the way out of it. It is on this premise that this section of the study looks at the scholars views on the causes of Terrorism. In his study "The causes of terrorism" Crenshaw (1981), highlights the difficulty of finding a general explanation for terrorism and contends that it is possible to distinguish different types of variables, as a starting point for further research on causal relations. Differentiating between three groups of variables: strategic, structural and psychological, Crenshaw emphasizes the idea that terrorism is a product of rational political choice. Ross (1993) in his study "structural causes of oppositional political Terrorism: towards a causal model", identifies three prominent categories of causes of terrorism, comparable to those of Crenshaw, namely structural and psychological causes as well as those related to the concept of "rational choice" Ross concludes that the first generation of causal models, can be considered valuable in describing terrorism. Gupta (2005) seeks

to understand why people engage in such activities in the name of a group based on ethnicity, religion, nationalism or ideology. He presents arguments that are rooted in economic and socio-psychological dimensions of human motivation. Distinguishing constructs that represent grievances and those that lead to violence, Gupta points out that political violence takes place when a leader gives voice to the frustration by formulating a well - defined social construction of collective identity and paints in vivid colour the images of "US" and "them" (Gupta, 2004).

Several scholars have tried to distinguish the different cause of terrorist activities by focusing primarily on the psychology of individual terrorists or group processes. In line with this, Jerrold (2002) in his study, investigated the psychological thinking of individuals involved in terrorism, and builds a framework for analysis to concerning the extent of conditions and characteristics that can increase the risk that a radical group will shift to terrorism. The study criticizes those who regard terrorism as a race of action and a deliberate choice among different alternatives. The author argues that political terrorists are driven to commit acts of violence as a consequence of psychological forces, and that their psycho-logic is constructed to rationalize acts they are psychologically compelled to commit. Another scholar that stresses the importance of psychological research of causes of terrorism is Hoffman (1999). In the study, the author analyzes the changing face of terrorism, pointing to the fact that it is often viewed as a means of communicating a message and using violence as a way to further solidify the triumph of their cause. The study states that terrorists live in the divinely decreed future, a point in time where the ultimate realization of their political destiny can be attained.

According to Umuerrri and Galadima (2013), the causes of terrorism in Nigeria are historical and ethnic as well as family, educational system, economic problems, religion and injustice and peer group influence. Discussing historical and ethnic dimensions, Umuerrri and Galadima (2012) stress that the Nigerian state has often shown signs of terrorist acts against the citizens and as a result, citizens now employ this tactic in its full blown form. First, the country has been involved in domestic terrorism against the media, for instance in October 1986, Dele Giwa was parcel - bombed to death in his residence in Lagos. Secondly, the state has often promoted terrorist acts against its citizens. The trial and execution in 1995 of Ken saro wiwa and other Ogoni minority activists prompted widespread international revulsion (Umuerrri and Galadima, 2012).

A family is a basic unit of society. In Nigeria, the traditional family was one that closely knits with family ties of unity, love and brotherliness. At the onset, the problem of economic hardship was not one that separated the family. However, as Western influence of modernization and technology spread throughout the world and also to Nigeria, citizens came under severe pressure to be part of this Western influence. This led to a situation where many people had to leave their families in the rural areas to pursue white collar jobs in the cities and those in the urban areas also left their families for greener pastures outside the shores of Nigeria (Umuerrri and Galadima, 2012). These pressures

to meet up with the western influence by the family according to Orji (2013) leads some bread winners of the family into some social vices including terrorism.

Stressing on how the education system in Nigeria causes terrorism, Umuerrri and Galadima (2012) state that the existence of education is to acquire relevant skills which would lead to self-employment on graduation. They argue that the reality on the ground is that most of our (Nigerian) institutions are ill-equipped and therefore produce unemployable graduates. Supporting this view, Eshalomi (1983) as cited in Umuerrri and Galadima (2012) question seriously the relevance of the Nigerian educational system to the aspiration and the problems of individuals and society. He concludes by stating that the result has been a crowded market place of unemployed graduates, some of whom go on to constitute all kinds of problems in society.

In any geographical entity, the citizens relate well with one another and also relate well with the government and its officials when they are on sound economic footing. But the reverse is always the case when people live in abject poverty and squalor. Despite the efforts so far dissipated to turn things around for good, the Nigerian economy is still in dire straits resulting in high unemployment rate and poor package for even those who are employed. Umuerrri and Galadima (2012) emphasize that there is no gain saying that the unemployed in any society will always serve as a fertile ground for the breeding of criminals and terrorists.

Religion has always been a volatile issue in societies. This may be because individuals see religion as a means of identifying with groups. In Nigeria, there are many religious groups but the two most dominant religious groups today are Christians and Moslems. As a secular state, the issue of religion in Nigeria has been a subject of controversy. This according to Umuerrri and Galadima (2012) is because over the years, Nigeria has produced leaders who have tended through policies to shift the nation away from its secular status to one of the religious, notably Islam. The scholars emphasize that many times, Christians have been under severe attack by the Moslem folk and witnesses are the incidents of burning of churches in the northern part of Nigeria and the maiming and killing of southerners who are Christians. This has often tended to create fears in the minds of many Nigerians that the issue of religion would necessitate the division of the country (Umuerrri and Galadima, 2012). The Guardian (Nigeria) newspaper June 2 (2011) reported that gunmen hurled a bomb and fired shots at Bulka-Cuwa police station, Bauchi state, heightening tensions in the state after a deadly attack on a military barracks. One policeman was listed a mission after the attack which came only days after a string of bomb blasts ripped through a crowded beer garden at barracks in Bauchi city killing at least 13 people.

It is therefore obvious that whenever religious issues and injustice thrive, the result is always a crisis. (Umuerrri and Galadima, 2012). The nation has not succeeded in calling national attention to the seriousness of religions issues and injustices in the past. In any society worldwide, individuals relate with one another for various reasons. These reasons according to Umuerrri and

Galadima (2012) could range from ethnic affinity, family ties, religious affiliations, social affiliations, etc. In most of these associations, there is always the role of peer group meeting and influencing one another. People of similar disposition are more likely to think and act in similar circumstances because there is always the tendency to believe in them. In Nigeria according to research, peer group influences have become a strong determinant of association. It is therefore not surprising that in institution of learning, we find all kinds of clubs and associations in different forms. The existence of cultism in institutions of learning harms society in the sense that at the end of the academic pursuit, graduates who were cultists continue with the bad habits gained in the process of acquiring their certificates and degrees (Umueri and Galadima, 2012).

Challenges and Effect of Terrorism on Multinational Companies in Nigeria

Long before U.S. Armed Forces were committed to the Global War on Terrorism, multinational corporations were habitually the targets of extremist Organizations. The threat of Global terrorism has a negative effect on international business and commerce (Mazzarella, 2005). According to research, the threat of global terrorism has a significant, negative effect on international business and Global commerce. According to Ryans and Shanklin (1980) as cited in Mazzarella, (2005), multinational corporations, as the main purveyors of international business, have for decades included the business cost of terrorism in their international plans and operation. They stress that the threat of terrorism raises cost so much that in 1980, a survey of eighty two high level international executives ranked terrorism second only to then double digit inflation as a “barrier” to their international businesses. Some of the business costs due to terrorism are quantifiable, while many are not. Terrorism in the view Mazzarella (2005) is a significant drag on the global economy that the truly internationally focused manager cannot simply ignore.

From a managerial economics perspective, multinational corporations incur a wide range of significant business cost, both fixed and variable, due to the threat of Global terrorism. One fixed costs involves upgrading the physical security of the firm’s personnel, property, plant, and equipment located in the areas where terrorism occur (Ryans and Shanklin 1980). A survey of 178 multinational corporations conducted in 1993 showed that, in terms of response to the threat of global terrorism, they spent the most company funds on “equipment based” security installation of security devices and other physical protection of corporate assets (Harvey, 1993). Many multinational executives according to Mazzarella, (2005) employ outside security consultants for advice on confronting the threat of terrorism. The reason for this is that security consultants provide detailed economic and political analysis of high-risk area of interest to international firms. (Fannin, 2003) posit that in January 2003, about seven major international corporations had joined “the corporate preparedness, security, and response Network”. Each of the seven members of the network was willing to pay an annual fee of \$10,000 to be provided with information on best corporate security practices as well as a chance to exchange security ideas.

Mazzarella (2005) postulates that global supply chains are especially vulnerable to terrorist attacks. The costs of securing the global supply chain vary with the amount of global commerce utilized by a particular multinational firm. The supply chain costs caused by terrorism stem not only from securing the transportation of goods, but also from the risk of delay or disruption of global supply sources due to terrorist activity. According to Economist (2003) as cited in Mazzarella (2005), in the post September 11th era, the U.S. Federal Government imposed more restrictive shipping regulations and standard practices with the intent of increasing security, but the government's policies have created unintended costs and complexities for international business. Deloitte-Touche Tohmatsu, a global consulting firm, estimated that multinational corporations could potentially lose up to a collective and trillion from a security breach of just one shipping container (Journal of commerce, 2004). In addition to increasing shipping security costs, terrorism also increases the risk of disruptions along the global supply chain. International shipping may be disrupted for various lengths of time in response to a major terrorist attack, as in the case of the immediate aftermath of the September 11, 2001 attacks Mazzarella (2005). For instance, during the days and weeks following September 11th many trucks were delayed at the Canadian border for security reasons before entering the U.S. The transportation delay caused an immediate, massive shortage of globally sourced parts for the American auto industry (Chopra and Sodln, 2004). Mazzarella, (2005) argues that the global supply chains of multinational firms are beset with serious security and inventory pressures due to the threat of terrorism. He suggests that international managers must strike a strategic balance between the competing goals of maximizing supply chain security and minimizing inventory costs. He also emphasize that to successfully overcome the cost of terrorism and advance their business, Global firms must implement effective transportation security measures while maintaining appropriate inventory levels.

Some international firms according to research may reduce their direct capital investment or business operations within geographic area of high terrorism risk. A survey of international executives predicted that increased terrorist attacks over time would ultimately lead to more and more multinational companies retreating from positions of heavy involvement (Ryans and Shanklin, 1980 in Mazzarella, 2005). A study by Ryans and Shanklin, (1980) as cited in Mazzarella (2005) reveals that "a French respondents to the survey of international executives claimed that his company avoids high risk countries when building new plants.

Another strong challenge terrorism poses to multinational enterprises, according to research centers on personnel issues. Mazzarella (2005) posits that the threat of terrorism causes some multinational firms to make, at times inefficient personnel decisions. He further states that the personnel decisions intended to mitigate the risk of terrorism often impose some unintended, long term costs on the firm. Citing Ryans and Shankling (1980), Mazzarella (2005)state that "terrorism causes Global managers to consider carefully the use of expatriates in foreign assignments" Expatriates according to the study

is define as “employees who live and work in foreign countries on short-term or long term assignments”. In the view of Schermerhorn (2005), the use of expatriates helps make the executive corps of a multinational firm more culturally aware and assists in expanding the firm’s international operations by building interpersonal networks of Global contacts. According to research, sending expatriates into an already politically hostile foreign environment may encourage acts of terrorist violence against the multinational corporation’s executives, assets, or business interests. This is supported by the Economist (2004) in Mazzarella (2005) when it was stated that KBR lost Forty two employees by August 2004 due to terrorist violence in Iraq and Kuwait. By contrast, Aeon Corporation consciously did not assign expatriates to its Kuwait and Turkey offices at the outset of operation Iraqi freedom and thereby reduced its exposure to the elevated terrorist risk level associated with the conflict (Business Insurance, 2003).

Mazzarella (2005) argues that there are other personnel costs created by the threat of terrorism. He emphasize that if multinational corporations decide to assign expatriate, the companies must develop and rehearse evacuation policies and procedures in the case of elevated terrorist threat advisories. When a Global manager determines that risk to expatriates is beyond acceptable limits, there will be a cost to the firm to permanently relocate expatriates and their families (Lincoln, 2002). Solomon (1997) suggests that to ensure personnel safety, human resource managers constantly monitor situational trends outside the regular boundaries of the business. He further says that human resources managers may be required to analyze trends such as security and political development. Lincoln (2002) stresses the implication of this to the multinational companies when he said that the decision to suspend travel due to government advisories helps secure the safety of a firm’s travelling personnel, but the decision usually involves an implicit cost of lost international business opportunities.

Another personnel cost related to the risk of terrorism according to Hansen (2002) is the higher compensation international firms pay to employees who are third country nationals. He further explained that the third country nationals are usually high- profit specialist who plays a vital role in correcting operational problems for multinational firms in locations around the globe. A survey of Multinational Corporation in 2002 indicated that third country nationals usually receive some additional benefits to compensate them for their increased exposure to terrorism. The increased compensation package commonly includes international medical plans, a “two times salary” death benefit, and a “sixty percent of salary” long term disability benefit (Hausen, 2002). In line with this, Mazzarella (2005) states that multinational corporation must pay higher compensation expenses to third country nationals to account for their higher susceptibility to terrorism.

Research has shown that due to the uncertainty of terrorism and other geopolitical disruption factors, international businesses bear the costs of political risk insurance. Political risk according to Schemerhorn, (2005) cited in Mazzarella (2005) is defined as “the potential loss of one’s investment in or

managerial control over foreign assets because of instability and political changes in the host country. Political risk includes the threat of terrorism. Multinational corporations with long term projects in unstable developing regions, such as oil companies are especially susceptible to political risk (Mazzarella, 2005). Generally, underwriters claim that terrorism is an uncertainty rather than an actual quantifiable risk, therefore, insurers claim they cannot accurately price the risk, a premium of terrorism (Levingohn, 2002 in Mazzarella, 2005). The September 11, 2001 attack solidified the property – casualty insurance industry’s opinion that terrorism risk is unquantifiable. The effects of recent terrorism incidents on the economy and business in Nigeria have been subjected to investigation by various scholars. Terror incidents also occur in Nigeria just like other countries globally leading to significant socio-economic consequences. Oladimeji and Oresanwo (2014) highlight some reasons why businesses are the terrorists target in Nigeria.

Some firms are highly visible targets; an attack on them is certain to attract the attention of the media, wide sections of the population, and of course, the government thus supplies terrorists with the publicity they seek. When firms are attacked, the production and economic process is disrupted. The firms directly or indirectly affected may be induced to relocate to other areas or countries. International firms are less likely to undertake direct foreign investments in that area. The economic situation within the affected country may worsen, leading to dissatisfaction and possibly even revolts, making it more likely that the proclaimed goals of terrorists become more acceptable and reasonable. Many firms are soft targets in the sense that it is impossible to prevent potential terrorists from coming near or even entering the premises. Some companies may be part of the control and authority on which the power of the government that is opposed by the terrorists rests. The firms may be owned by the government or by members of the government.

Conclusion and Recommendations

In this study, we have examined Boko Haram terrorism and the performance of multinational cooperation in Nigeria as a case study. Considering the findings of this study, it was discovered that the activities of Boko Haram constitute a serious threat to the development of Nigeria. Aside from the economic implications it has caused, the human cost is of great concern to everybody in Nigeria. Thousands of people have been displaced due to the persisted attacks from the dreaded Islamic sect called Boko Haram in Nigeria. The government should wake up from its slumber and end the insurgency for one. Their activities have crippled the economic activities between Nigeria, Cameroon, Niger Republic and Republic of Chad. Many Nigerian citizens residing in Adamawa state, Borno state and Yobe states were currently internally displaced. The Boko Haram insurgency in North Eastern region of Nigeria, have slow down the nation abilities of achieving the Sustainable Development Goals project (SDG’S), Education For All (EFA), and as well as Nigeria Vision 2023 programs. The senseless insurgent attacks have negative impact on economic and socio-cultural values of the people in Nigeria and wellbeing of other foreign nationals.

Presently, economic activity is low in the Nigeria, as foreign expatriate are relocating to other countries in West Africa due to the increasing security crisis.

With the mindless bombings perpetrated by the insurgent, the researchers observed that most multinational companies have been closed in Nigeria.

Furthermore, the current joint approach of Nigerian government and African Union to end the insurgency have recorded tremendous success, But we are also concluding that, the United Nation (UN) should aid Nigerian government and African Union effort, to put an end to insurgency in Nigeria.

At the heart of every empirical research is the provision of solution(s) or recommendation(s) to the problem identified, after a step by step method of scientific investigation. It is in line with this that the following recommendations were made:

- i. The Nigerian government should initiate policy that will generate employment for the army of unemployed youths in the country such skill acquisition program.
- ii. The government should open a dialogue channel in order to know what the grievances of the sect are in order to create more doors for foreign investments.
- iii. Nigeria government should develop effective multi-dimensional approaches that address both the symptoms of terrorism and root causes must include addressing the problems that create the enabling environment such as employment and skill acquisition programmes.

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