

THE ECONOMICS OF PEACE IN NIGERIA: INTERSECTION OF STABILITY AND ECONOMIC DEVELOPMENT

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Abstract

The study explores the interconnectedness of economics and peace in Nigeria, focusing on conflicts and its economic consequences. The research probed how conflict affects economic growth and how peace could catalyse economic development. The study gave an overview of Nigeria's historical conflicts, examined economic consequences of conflict, analysed economic factors and conflict, and assessed successful peace initiatives, and its economic benefits as well as the role of governance and institutions as its objectives. Resource curse theory was applied as the theoretical framework for the study. The study adopted a descriptive research design with qualitative approaches, and employed content analysis for the secondary data sources. The findings of the study are, strong correlation between poverty and conflict, resource allocation inequities, economic inclusion as a peace building tool as well as positive impact of education and improved role of youth in the peace processes. The insights derived from this research could lead to strategies that enhance social cohesion and community engagement, which are vital for long-term peace and stability.

Keywords: Conflict, Development, Economics, Intersection, Peace, Stability and Nigeria

Introduction

The economics of peace is an increasingly vital area of study that examines how stability and peace influence economic development, with a focus on mitigating conflict and enhancing societal well-being. As conflicts disrupt economic activities, nations experience significant setbacks in growth, investment, and social cohesion. Globally, the intersection of peace and economic development has been extensively explored, with seminal works indicating that stable environments foster higher levels of investment and innovation, ultimately contributing to prosperity (Collier, 2000; Glickman, 2002). From a global perspective, the impact of peace on economic development can be observed in various contexts. Countries emerging from conflict, such as Rwanda and post-war Bosnia, illustrate how strategic investments in Peace building and governance can lead to

remarkable economic recovery and growth (Dani & Klasen, 2004; Kauffman, 2006). Conversely, nations engulfed in prolonged conflict—such as Syria and Yemen—exhibit stark economic decline, plummeting Gross Domestic Product (GDP), and escalating poverty levels, underscoring the urgent need for peace to achieve sustainable development (World Bank, 2021).

Nigeria, Africa's most populous nation and one of its largest economies, is paradoxically grappling with profound challenges rooted in conflict and unrest. The relationship between economic prosperity and peace is intricate, particularly in a country marked by a history of ethnic strife, political instability, and terrorism. The persistent conflicts, including the Biafran Civil War and ongoing violence perpetrated by groups such as Boko Haram, have not only resulted in significant loss of life but have also hindered economic growth and social development (Adetula, 2020). Nigeria faces a daunting paradox despite its abundant natural resources and potential for economic growth, it continues to grapple with conflict, instability, and violence. This situation raises critical questions about the underlying factors driving these conflicts and their relationship with economic conditions. The research problem centres on understanding the complex interplay between economics and peace in Nigeria. It investigates how economic disparities, resource allocation, unemployment, and poverty contribute to violent conflicts and explores how sustainable economic development can lead to lasting peace.

Understanding the economics of peace is crucial in the Nigerian context, where economic factors frequently catalyze and exacerbate conflict. High unemployment rates, youth disenchantment, and unequal resource distribution contribute to an environment ripe for violence and instability (Collier, 2000). Moreover, the phenomenon of the "resource curse" further complicates Nigeria's situation, as the country's significant oil wealth has not translated into equitable economic development or peaceful coexistence among its diverse groups (Ross, 2001). This research holds significance for various stakeholders, including policymakers, academics, and civil society organizations. By delineating the economic dimensions of peace in Nigeria, the study contributes to the broader discourse on peace economics, highlighting the role of socio-economic development in reducing conflict. The scope of this paper encompasses the analysis of economic factors influencing peace in Nigeria, covering various dimensions such as unemployment rates, income inequality, access to resources, and government policies, while the paper aims to offer actionable recommendations, the dynamic and multifaceted nature of Nigerian society may limit the immediate applicability of these proposals. This paper is structured to explore Nigeria's historical conflicts, examine economic consequences of conflict, and economic factors and conflict. It's to also assess successful peace initiatives, its economic benefits and the role of governance and institutions as its objectives. Ultimately, this study

seeks to contribute to the discourse on peace economics and provide actionable recommendations for policymakers aimed at cultivating stability and growth in Nigeria.

Conceptual Review

Economics of Peace

The economics of peace offers valuable insights into how economic structures and policies can foster or undermine peace. As global conflicts continue to shift and evolve, incorporating economic analyses into peace studies and conflict resolution strategies is critical. The economics of peace is a multidisciplinary concept that explores how economic conditions, policies, and factors influence peace and conflict within societies. It integrates theories from economics, political science, sociology, and peace studies to understand how to promote and sustain peaceful environments. The key elements of economics of peace are, economic development and peace, resource allocation, public goods and social capital, employment and economic opportunities, and war economies. Understanding 'war economies' is crucial for anyone interested in Peace building and post-conflict recovery (Ballentine & Nitzschke, 2005). The applications of economics of peace are visible in development and Peace building initiatives, peace agreements as well as conflict prevention

The concept also come with challenges and critiques such as measurement issues and political determinism. Quantifying peace and its economic components can be complex. Concepts like 'positive peace' and 'negative peace' complicate this analysis. The former refers to the presence of justice and equality, while the latter is merely the absence of violence (Galtung, 1969). While economics is vital, it is not the sole determinant of peace. Political structures, historical contexts, and cultural factors are equally influential. This can lead to critiques of overly simplistic economic models in peace processes.

The concept of the economics of peace in Nigeria is deeply relevant given the country's complex tapestry of ethnic diversity, historical tensions, and ongoing conflicts. Nigeria has grappled with various forms of violence, from ethnic clashes to militant insurgencies, particularly in the Niger Delta and the North-eastern region. Understanding the interplay between economic conditions and peace in Nigeria involves examining several critical aspects (Ohia, 2013). The key aspects of economics of peace in Nigeria can be surmise as, economic inequality and grievances, youth unemployment, resource control and federalism, conflict and development policies as well as agriculture and food security and post-conflict reconstruction (Babatunde, 2016). Some of the challenges to economic of peace are, corruption and governance, ethnic and religious tensions and war economies and illegal economies. By understanding these dynamics, stakeholders can better approach Peace building efforts in Nigeria, ensuring that economic policies are effectively

linked with peace initiatives. The economics of peace in Nigeria underscores the intricate relationship between economic factors and social stability. Addressing issues of inequality, unemployment, and resource management is crucial for fostering a peaceful society. While progress has been made through various government initiatives, significant challenges remain. A concerted effort to enhance economic opportunities, tackle corruption, and promote equitable development is essential for building a lasting peace in Nigeria.

Methodology

The study adopted a descriptive research design with qualitative approaches and used secondary data sources from government statistics, international organizations, academic publications and case studies specific to Nigeria discussing conflict dynamics and their economic implications. Content Analysis was used to analyze themes related to peace and economic development.

Theoretical Background

Resource Curse Theory

The resource curse theory, also known as the paradox of plenty, posits that countries endowed with abundant natural resources, such as oil and minerals, often experience less economic growth, less democracy, and worse development outcomes than countries with fewer natural resources. This phenomenon has been prominently discussed in the context of Nigeria, where oil wealth has not translated into widespread prosperity and has often fuelled conflict and instability. The Elements of the resource curse theory in Nigeria are economic dependency, corruption and governance issues, conflict and violence and neglect of development. Resource-rich countries may become overly reliant on natural resources for economic stability, leading to a neglect of other sectors like agriculture and manufacturing. In Nigeria, oil revenue constitutes a significant portion of government income, making the economy vulnerable to fluctuations in oil prices (Adeleke, 2015).

Resource wealth can foster corruption, as the lucrative nature of resource extraction creates opportunities for embezzlement and mismanagement. Nigeria consistently ranks low on the Transparency International Corruption Perceptions Index, resulting in misallocation of resources that could have funded social services (Transparency International, 2022). The competition for resource control can exacerbate ethnic tensions and lead to conflict. In Nigeria, disputes over oil revenues have fuelled violence in the Niger Delta, as local communities feel marginalized and excluded from the profits derived from their lands (Ikelegbe, 2006). Resources may be extracted without adequate investment in social and physical infrastructure, perpetuating poverty. Despite Nigeria's

vast oil wealth, access to education, healthcare, and infrastructure remains inadequate, especially in resource-rich areas like the Niger Delta (Subramanian & Roy, 2001).

Analyzing the economics of peace in Nigeria through the lens of resource curse theory involves examining economic inequality and conflict, youth unemployment and insurgency, corruption and resource allocation as well as conflict resolution and economic development and post-conflict recovery. The stark contrast between Nigeria's oil wealth and the poverty of oil-producing communities encapsulates the resource curse. Although Nigeria is one of the largest oil producers in Africa, regions such as the Niger Delta suffer from high rates of unemployment and underdevelopment. The resultant socio-economic grievances have fuelled resentment and violent attacks against oil installations (Ugochukwu, 2009). High youth unemployment in Nigeria exacerbates the resource curse scenario. Many disenfranchised youths are drawn into insurgent groups or militant movements, particularly in the Niger Delta and northern Nigeria, which are rich in resources but plagued by instability. Aboh (2015) suggests that providing economic opportunities and training in these regions is crucial for Peace building. The mismanagement of oil revenues through corruption undermines peace efforts. As noted by Ross (2012), when resources enrich a select few while the broader population remains impoverished, frustration can lead to civil unrest. The Nigerian government's incapacity to distribute wealth equitably has been linked directly to violence and economic instability.

Addressing the resource curse through sound economic policies can contribute to peace. Initiatives that promote transparency in the management of oil revenues, like the Extractive Industries Transparency Initiative (EITI), aim to enhance accountability. Additionally, diversifying the economy away from oil reliance can yield sustainable development, fostering a stable and peaceful society (National Bureau of Statistics, 2020). In regions affected by violence, investment in infrastructure and social services is paramount. The Nigerian government's efforts to establish the Niger Delta Development Commission (NDDC) highlight a move towards addressing underdevelopment but have faced challenges related to corruption and inefficiency (Bassey, 2009). Effective management of post-conflict reconstruction is vital for long-term peace.

In essence, the resource curse theory provides a valuable framework for analyzing the economics of peace in Nigeria. The country's abundant oil resources have not only failed to provide economic stability but have also contributed to conflict, corruption, and underdevelopment. Implementing policies aimed at enhancing transparency, equitable resource distribution, and economic diversification is crucial for breaking the cycle of the resource curse and fostering a peaceful, prosperous Nigeria. By addressing the key

aspects of the resource curse through targeted economic strategies, Nigeria could pave the way toward establishing a more peaceful and equitable society.

Overview of Nigeria's Historical Conflicts

Nigeria, Africa's most populous country, has a rich and complex history shaped by diverse cultures, and conflicts. It consists of over 250 ethnic groups, with the major ones being the Hausa, Fulani, Kanuri and Jukum in the North, Yoruba in the Southwest, and Igbo in the Southeast. Nigeria has a complex history marked by several significant conflicts that have had profound economic impacts. Here are some of the key historical conflicts, along with analyses of their economic consequences examined by the study:

Biafran War (1967-1970)

The Biafran War was a civil conflict between the government of Nigeria and the secessionist state of Biafra, primarily inhabited by the Igbo people. The war caused massive destruction of infrastructure and significant loss of human capital. It disrupted agriculture, leading to widespread famine, particularly in the South-eastern region. The conflict highlighted Nigeria's reliance on international aid, notably food aid during the famine that claimed approximately 1-3 million lives. The post-war recovery was slow, with significant economic challenges. There was a reassessment of resource allocation, notably with oil revenue. Biafra's loss led to a concentration of oil wealth in the hands of the Nigerian government, which perpetuated regional inequalities that continue to exist (McCoy, 2019).

Ethnic Tensions and Post-Civil War Conflicts

Ethnic tensions have led to numerous violent clashes, such as the Tiv/Jukum ethnic violence. Conflicts between local farmers, primarily in Nigeria's Middle Belt, and herdsmen from the Fulani ethnic group are rooted in competition over land and resources, exacerbated by climate change and desertification. These clashes have resulted in significant losses in agricultural output, affecting food security and local economies. Continued violence has led to increased military expenditures and humanitarian costs as the government seeks to stabilize the regions (Irele, 2015). Niger Delta Conflicts (1980s-Present).

These conflicts stem from environmental degradation and economic disenfranchisement caused by oil extraction in the Niger Delta. Militant groups like the Movement for the Emancipation of the Niger Delta (MEND) engaged in vandalism and pipeline sabotage, disrupting oil production and resulting in substantial economic losses estimated at billions of dollars. The unrest discouraged foreign investment in Nigeria's oil and gas sector, hindering economic growth. The devastation of the environment has led to declining fish

stocks and agriculture, severely affecting local economies reliant on these resources (Ugochukwu, 2021). The resulting insecurity has limited access to basic services and education, inhibiting overall development. Religious Conflicts (1990s-Present). Conflicts primarily between Christians in the Middle Belt and Muslims in the North have arisen from political, economic, and religious tensions such as the religious riots in Jos. Thousands of people have been displaced due to violence, resulting in reduced workforce and loss of productivity in agriculture and trading sectors. Repeated conflicts have led to economic stagnation in affected regions, fostering poverty and undermining local economies (Afolabi, 2020).

Boko Haram Insurgency (2009-Present)

Boko Haram is a jihadist militant organization whose insurgency in north-eastern Nigeria has led to widespread violence and instability. The insurgency has caused the displacement of over 2 million people and has created a significant humanitarian crisis, with billions required for recovery and aid. The violence has led to a humanitarian crisis, severe disruptions to education, and paralysis of local economies. The conflict has severely impacted agriculture, trade, and basic services in the north-east, contributing to poverty and loss of livelihood for many (European Commission, 2018).

End SARS Protests (2020)

While not a conflict of armed groups, the End SARS protests highlighted deep-seated issues of police brutality and governance, leading to nationwide unrest. The protests resulted in significant destruction of property and the shut-down of businesses, leading to economic slowdown in urban areas. Increased spending on security and the need for reforms to address systemic issues diverted funds from developmental projects (Faith, 2021).

The historical conflicts in Nigeria have been driven by a mixture of ethnic, religious, and economic factors. Each conflict has significantly affected Nigeria's economy, leading to infrastructure destruction, loss of human capital, reduced foreign investment, and reliance on international aid. Addressing the root causes of these conflicts and promoting inclusive governance remains crucial for Nigeria's economic development and stability.

Economic Consequences of Conflicts

Nigeria as a country has experienced significant economic losses due to violence and instability, largely driven by factors such as Boko Haram insurgency, ethnic conflicts, and herder-farmer clashes. This study presents some key findings related to these economic impacts:

- a. *Direct Economic Costs:* The Nigeria Economic Recovery and Growth Plan (ERGP) has highlighted that insecurity leads to increased military expenditure, which diverts resources from development projects. For instance, in 2019, Nigeria allocated more than ₦1 trillion (around \$2.8 billion) on military spending, primarily targeting insurgency in the north-east (World Bank, 2019).
- b. *Impact on GDP:* The World Bank reported that violence and insecurity could reduce Nigeria's GDP growth by 1.1 percentage points annually. Economic studies estimate that conflicts have cost Nigeria over \$14 billion annually in lost productivity and economic activities (World Bank, 2020).
- c. *Displacement and Refugee Crisis:* Armed conflict has led to massive internal displacement, with over 2 million people displaced by Boko Haram and ethnic violence. Displacement results in loss of income, decreased food security, and increased poverty. IDPs (Internally Displaced Persons) are often unable to contribute to the economy (UNHCR, 2021).
- d. *Agricultural Deterioration:* Farming communities in regions affected by violence have reported significant declines in agricultural production. The Food and Agriculture Organization (FAO) estimates that the violence has drastically affected the livelihoods of millions, with a reported 50% drop in agricultural output in conflict zones (FAO, 2021).
- e. *Foreign Investment and Economic Growth:* The 2021 Global Peace Index ranked Nigeria as one of the least peaceful countries, deterring foreign investment. The Nigerian Investment Promotion Commission reported that foreign direct investment (FDI) fell by nearly 50% from 2019 to 2020 due to rising insecurity (NIPC, 2021).
- f. *Value of Lives Lost and Human Capital:* The human toll from violence also reflects significant economic losses. The Institute for Economics and Peace estimated that the costs of violence in Nigeria were \$30.9 billion in 2020 alone, accounting for roughly 17% of Nigeria's GDP (IEP, 2020).
- g. *Infrastructural Damage:* Infrastructure, particularly in conflict-hit areas, faces considerable damage. The Nigerian Bar Association reported that from 2015 to 2020, estimated costs of infrastructure vandalism were upwards of ₦500 billion (\$1.3 billion), hampering development efforts (NBA, 2020).
- h. *Tourism and Local Businesses:* Violence and instability have severely impacted Nigeria's tourism sector. The Nigerian Tourism Development Corporation noted a decrease of about 60% in tourist visits since the rise of violent conflicts, leading to extensive losses for local businesses reliant on tourism (NTDC, 2021).

Violence and instability in Nigeria have massive economic implications, hindering growth, disrupting livelihoods, and diverting essential resources. Addressing these challenges requires comprehensive responses that focus on enhancing peace and stability, fostering dialogue among communities, and investing in conflict resolution mechanisms. Continued monitoring and research are essential to understand the situation and aid recovery efforts.

Economic Factors and Conflict in Nigeria

Understanding the relationship between economic factors and conflict is crucial for addressing the multifaceted violence and instability in Nigeria. Various economic issues, such as unemployment, poverty, and resource allocation, play significant roles in shaping the landscape of conflict across the country. Unemployment, particularly among the youth, is a major economic factor contributing to conflict in Nigeria. High levels of youth unemployment create a pool of disaffected individuals who may resort to violence as a means of economic survival or self-expression. The unemployment rate in Nigeria has been a persistent issue, with the National Bureau of Statistics reporting significant fluctuations, particularly exacerbated by economic downturns, such as those linked to the COVID-19 pandemic (National Bureau of Statistics, 2021). The lack of job opportunities often leads to feelings of hopelessness and disillusionment, making the youth more susceptible to recruitment by militant groups or to participating in violence. For instance, groups like Boko Haram have capitalized on economic grievances, enticing unemployed youth with promises of financial rewards and belonging (Matusitz & Deshotel, 2018).

Poverty remains endemic in various regions of Nigeria. The World Bank has reported that over 40% of Nigerians live below the poverty line, with the highest concentrations found in the northeast, where conflict is prevalent (World Bank, 2020 & 2022). In communities where basic needs are unmet, frustration may transform into anger against governmental authorities or other groups perceived as responsible for their plight. Poverty can lead to desperation, pushing individuals to partake in criminal activities, including theft and violence. Additionally, impoverished communities often lack the social infrastructure to manage disputes peacefully, leading to an escalation of tensions into violent confrontations (Hegre et al., 2009).

The issue of resource allocation is another factor which is deeply entangled with Nigeria's economic and political configurations. As one of Africa's largest oil producers, Nigeria generates substantial revenue from oil exports; however, the benefits are unevenly distributed. Regions rich in resources, particularly the Niger Delta, have experienced significant marginalization, leading to communal tensions and violent protests. The Nigeria Extractive Industries Transparency Initiative highlights how local communities in

resource-rich areas often see little benefit from oil wealth, fueling resentment and opposition (NEITI, 2021). Groups like the Movement for the Survival of the Ogoni People (MOSOP) have emerged to demand that local communities receive equitable shares of the profits from natural resources, often resulting in violent clashes with state authorities.

Economic inequality exacerbates tensions and breeds conflict; the stark divide between affluent and impoverished regions fosters resentment and can ignite violent uprisings. The presence of elite groups that monopolize wealth while ordinary citizens suffer can lead to increased risk of conflict (Gurr, 1970). For example, the "resource curse" phenomenon suggests that countries rich in natural resources often experience more prolonged violence, as competing factions vie for control over lucrative resources (Collier & Hoeffler, 2004). Corruption is another significant economic factor impacting conflict in Nigeria, high levels of corruption dilute the effectiveness of government programs designed to address poverty and unemployment. Funds meant for development projects are often misappropriated, leading to the failure of initiatives aimed at reducing conflict triggers (Transparency International, 2021). This corruption further alienates citizens from government institutions, diminishing trust and increasing the propensity for violence. The interplay of economic factors such as unemployment, poverty, resource allocation, and corruption create a fertile ground for conflict in Nigeria. To mitigate these issues, multifaceted strategies must be employed, focusing on economic reforms, equitable resource distribution, and fostering inclusive governance.

Successful Peace Initiatives

The country Nigeria, marked by ethnic diversity and historical conflicts, has witnessed various peace initiatives aimed at addressing its socio-economic challenges. Examining successful peace initiatives reveals significant economic impacts that result from stability, reduction of conflict and also generated tangible economic benefits. However, various peace initiatives such as the Oyo State Peace Initiative, the North-East Nigeria Peace Building Initiative and the Nigerian Peace building Collaboration (NPC) have attempted to address these issues, leading to economic benefits. The study examines Amnesty Program in the Niger Delta as a peace initiative and its economic impacts.

Amnesty Program in the Niger Delta:

The Niger Delta region has been plagued by conflicts stemming from oil extraction, environmental degradation, and socio-economic neglect. In response, the Nigerian government and stakeholders-initiated peace processes, notably the Amnesty Program in 2009. This program aimed to disarm militants, reintegrate them into society, and promote economic development in the Niger Delta region. The program has led to a reduction in

oil theft and vandalism, which previously cost the Nigerian economy millions of dollars annually. By restoring stability, oil production levels increased, leading to a more stable revenue stream for the government and in turn, supporting national economic stability (Obi, 2010). The amnesty led to a significant reduction in militant activities, restoring oil production levels from around 800,000 barrels per day in 2009 to over 2 million barrels per day by 2011 (World Bank, 2013). The initiative provided skills training and empowerment for former militants, contributing to job creation and reducing youth unemployment in the region. By 2012, over 20,000 former militants had received vocational training. Also, the establishment of peace improved the investment climate, attracting companies back to the region. For example, Shell Nigeria resumed investments in oil infrastructure, boosting local economies.

Successful peace initiatives in Nigeria have significantly impacted the economy, demonstrating the link between peace and development. The recovery and prosperity resulting from these initiatives underline the importance of continued investment in peace-building efforts. Moreover, addressing the underlying causes of conflict through comprehensive economic development programs will be crucial for maintaining long-term stability in Nigeria. By focusing on these initiatives and their economic impacts, Nigeria can harness the benefits of peace to foster sustainable development.

Economic Benefits of Peace Initiatives

The followings are the benefits of various peace initiative introduced by the government and the NGOs at different levels to support stability and economic development in the conflict prone regions. The main benefit of peaceful environments is that it attracts Foreign Direct Investment (FDI), FDI is crucial for economic growth. Stable regions facilitate business opportunities, which translate into job creation and infrastructure development. For instance, improved security in the Niger Delta post-amnesty program led to considerable FDI increases in oil and gas production (Akanji & Aiyede, 2018). The existence of peace enhances trade and agriculture, many rural-based economies rely on agriculture. Peace initiatives, particularly in the Middle Belt region, have allowed farmers to return to their fields without fear of violence, leading to increased agricultural output. This in turn boosts food security and promotes local markets (FMARD, 2021). Another benefit of peace initiatives is that it strengthening local economies which often lead to the establishment of community development programs, empowering local entrepreneurs and small businesses. For instance, Peace building programs in conflict-affected regions can lead to the establishment of cooperatives that enhance economic participation for marginalized groups (Suleiman, 2020). Similarly, addressing conflicts reduces the economic cost associated with military operations and the loss of lives. The resources

saved through successful peacekeeping can be redirected toward development projects and social services that contribute to long-term economic stability (Nnadozie & Ugochukwu, 2022). Peace initiatives in Nigeria, whether through governmental programs, community dialogues, or rehabilitation programs, have illustrated the intrinsic connection between peace and economic development. The success of these initiatives is reflected not only in the reduced levels of violence and instability but also in enhanced economic activities and improved living standards. As Nigeria continues its journey toward sustainable peace, the importance of fostering collaborative efforts between the government, civil society, and international partners becomes increasingly evident. By investing in peace, the country lays a more robust foundation for sustainable economic growth.

The Role of Governance and Institutions

The interplay between governance, corruption, institutional capacity, and their influence on peace and economic development is vital for understanding a country's socio-political stability, particularly in nations like Nigeria. Effective governance can enhance peace and foster economic growth, while corruption and weak institutions often lead to conflict and underdevelopment. Good governance is characterized by transparency, accountability, participation, and the rule of law. These elements are essential for establishing trust between the government and the citizens. When governance structures are effective, they can create an environment conducive to peace (Thomas, 2019). Effective governance mechanisms can help identify and mediate disputes before they escalate into conflict. Institutional frameworks that encourage public participation can help resolve grievances and empower communities. Good governance ensures the fair distribution of resources, reducing competitions that can lead to conflict. Engaging local communities in resource management can foster a sense of ownership and responsibility (UNDP, 2016).

Corruption and Its Impact

Corruption undermines economic development and peace by diverting resources away from vital public services such as education, healthcare, and infrastructure. It erodes trust in institutions, leading to disillusionment and a potential rise in conflict. Some Implications of corruption to peace and development are resource drain, and erosion of legitimacy. Corruption siphons off funds that could be invested in development projects. This lack of investment contributes to poverty and unemployment, breeding grounds for unrest. When government officials engage in corrupt practices, public trust erodes, and this can fuel social unrest and violence, as marginalized groups react against perceived injustices (Transparency International, 2022).

Institutional capacity

Institutional capacity refers to a government's ability to effectively implement policies, enforce laws, and deliver public services. Strong institutions are crucial for promoting peace and stability by ensuring that citizens' needs are met. The relationship of Institutional capacity to Peace and Development are Service Delivery and Regulatory Frameworks. Well-functioning institutions are pivotal for delivering basic services. When citizens feel their needs are met, they are less likely to engage in violence and Strong regulatory frameworks can help mitigate disputes, ensuring that legal avenues exist for conflict resolution and fostering trust in governance (World Bank, 2021).

Local vs. National Governance

Both local and national governance play critical roles in Peace building efforts, but their influences can differ significantly. National governance structures develop broad policy frameworks that can promote nationwide stability. However, they can also impose top-down decisions that may not consider local contexts. In Counter-Corruption Measures, National bodies can enact anti-corruption legislation and establish systems for accountability. Yet, corruption at the national level can undermine these efforts. Meanwhile, local governance is often more responsive to the needs and grievances of the community, allowing for tailored solutions that are culturally and contextually relevant thereby promoting Community Engagement, also local leaders often play crucial roles in mediation and conflict resolution, utilizing their understanding of local dynamics and relationships to foster dialogue and peace (USAID, 2018).

The synergistic effect of good governance, strong institutional capacity, and low levels of corruption is essential for peace and economic development. While both local and national governance frameworks have their roles, their effectiveness largely depends on the integration of community input, the responsiveness of institutions, and the commitment to eradicate corruption. By focusing on building capacities at all governance levels and fostering community engagement, countries can create more stable environments conducive to peace and economic growth. Addressing these issues holistically is essential for any sustainable Peace building initiative aimed at fostering development in regions plagued by conflict, such as Nigeria.

Challenges

- a. One of the primary challenges in studying the economics of peace in Nigeria is the scarcity and inconsistency of reliable data.

- b. Conflicts in Nigeria are driven by a multitude of factors including ethnic tensions, religious differences, political instability, and environmental issues. Disentangling the economic aspects from these complex interrelations poses a significant challenge for researchers.
- c. Existing economic policies are not effectively implemented on the ground due to corruption, bureaucratic inefficiencies, and lack of political will.
- d. The impact of historical grievances, cultural differences, and social dynamics adds another layer to the challenges.
- e. This regional variation complicates the development of a one-size-fits-all economic approach to peace.

Findings

- a. The study found a strong correlation between high poverty levels and increased incidence of violence and conflict. Areas with higher unemployment rates and economic deprivation are more prone to unrest.
- b. Inequitable distribution of resources, particularly in oil-rich regions like the Niger Delta, has led to deep-seated grievances that fuel conflict. Local communities often feel marginalized and excluded from the economic benefits of resource extraction.
- c. Integrating local communities in economic development projects has shown promise in mitigating conflict. Initiatives that promote skills training and entrepreneurship have led to reduced violence in certain areas.
- d. Access to education was identified as a vital factor in Peace building. Better education levels correlate with lower violence rates, as individuals with higher education tend to seek non-violent avenues for conflict resolution.
- e. A significant portion of the population in conflict-affected areas comprises youth. Given the high unemployment rates among this demographic, addressing their economic needs through job creation and engagement in peace processes enhances stability.

Conclusion

The research underscores the intricate link between economic conditions and peace in Nigeria, demonstrating that sustainable economic development is essential for mitigating conflict. The research problem centres on understanding the complex interplay between economics and peace in Nigeria. To solve the problem, the study gave an overview of Nigeria's historical conflicts, examined economic consequences of conflict, explored economic factors and conflict. It also assessed successful peace initiatives and its economic benefits and the role of governance and institutions as its objectives. The

resource curse theory was used as the theoretical framework to explain the importance of studying the economics of peace in the context of Nigeria's socio-economic challenges. The findings of the study are, correlation between poverty and conflict, resource allocation inequities, economic inclusion as a Peace building tool as well as impact of education and role of youth. The findings highlight that addressing poverty, ensuring equitable resource distribution, and promoting inclusive development are critical steps toward achieving long-term peace. While economic factors are significant, they are intertwined with social, political, and cultural dimensions, necessitating a holistic approach to conflict resolution.

Recommendations

- a. The Nigerian government should prioritize reforms that address economic inequality, ensuring fair distribution of resources and opportunities across all regions, particularly in conflict-prone areas.
- b. Fostering job creation through public-private partnerships, vocational training, and entrepreneurship programs will empower the youth and alleviate economic disenfranchisement, reducing the susceptibility to violence.
- c. Economic strategies should be part of comprehensive peace building frameworks that include social cohesion, dialogue among conflicting groups, and political inclusivity.

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