Long Term Cost Implication of Insurgency to the Economic Development: 
A Study of Zaria Metropolis

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Abstract

It has been observed that no any meaningful development can be achieved in a state plagued by crisis and socio-economic challenges. Development of any sort can only thrive in a conducive environment. In this regard, this paper discusses the resultant effects of insurgency to the economic development of a state in relation to some Accounting concepts, so as to bring to light it consequences to the survival, growth and development of the economy in a World that is revolving on the orbit of numerous opportunities and pitfalls. Data are collected from respondents and statistical tools are used in the analysis which results in the conclusion that, the resultant effects of any uprising affect the socio-economic activities of an economy thereby thwarting its progress. It therefore recommended that economic opportunities should be made available to the teeming populace via the construction of suavity social amenities and orientation.

Keywords: Cost implication, Insurgency, Economic Development, Conducive business environment and Amenities.

1. Introduction

Insurgency is a phenomenon which affect the macro-economic activities of a state to a greater extent, the macro-economic “study the economy as a whole or it basic sub-division or aggregate, such as the government, household and business sectors and the aggregate is a collection of specific economic units treated as if they were one in unit” (Mcconell and Brue, 2005). In this regard it is no longer a concern of handful of few individuals in a state for the social and environmental effects of such operations, but rather of the public who showed concern and perplex when conflicts erupt or evolve as a result of disputes.

The cost implication of any insurgence (Militancy ethnic or religion crisis, election crisis or violence) cannot be accurately quantify or measure due to variation in historical and current market value of affected items and most importantly human lives involved which are both of economic important to the growth or development of any community or state because “A cost object is any activity for which a separate measurement of costs is desired” (Drury, 2008).

The cost centre for any insurgency is disputes, as “Cost centres or cost pools are used to describe a location to which overheads costs are initially assigned” (Drury, 2008). The revenue return for any investment in a cost centre is only enjoyed by the pioneer(s) who made the financial outlay when their goal is achieve, in the same vein the return (Excess over investment) may turn out to be negative (loss) if their goal is not achieve, which may be as a result of checkmating their activities by either the opposing group or the intervention of the government (Security personnel) of the state to quell the activities of the insurgents.

Despite the huge investments made by entrepreneurs and government in a community or state in order to maximize wealth in the future and better the lives of the public respectively, the insurgents in executing their activities vandalize such investment activities and terminate the lives of their unfortunate victims, either of the opposing group or innocent, thereby disrupting the peace and development of the society.

A study may not be carried out without problem in mind to solve and objective to attain, this paper was
motivated in order to known the possible consequence of any insurgence to the economic development of a state. Any benefit to derive by the state from any insurgency. What a state can do to prevent or forestall the occurrence of insurgence. How a state can achieve meaningful development in the period of insurgence.

It is the objective of the paper to see how the lives of the teeming youths who are mostly the foot soldiers of any insurgence can be better, so as to reduce or eliminate their participation in such unworthy attitude and also to see how development can be attain without violence.

2. Zaria and Neighbourhood

Zaria is major town in Kaduna State of the Northern part of Nigeria (North West Geo-political zone). Zaria metropolis homed two Local Government headquarters, namely Sabon-Gari and Zaria, Zaria also have an Emir who is popularly known as “SarkinZazzau” in the native Hausa Language and is a first class Emir with district heads in the province.

The Palace of the Emir (Fadan Sarkin Zazzau) is located in the ancient city of Zazzau (Zaria City), which was surrounded by walls.

Zaria City has neighbourhood that integrated or made the current Zaria metropolis, among the neighbourhood, is Tudun Wada, Gyallesu, Anguwan Kyaya-Nagoyi, Tudun Jukun, Turk-Tukur, Dan Maqaji, Wusasa, G.R.A Zaria, P.Z. Area, Anguwan Gwado, Dogon Bauchi Muchia, Chikaji, Hanwa, Palladan, Bassawa, Zangon Shanu, Samaru etc. Zaria metropolis is inhabited by native Hausa Fulani an Nigerians of different origins. Zaria metropolis contribute largely to the economic development of Nigeria as a whole, as it has substantial number of financial institutions, Agro-allied businesses, artisans, a tobacco company and lots of other business activities. Zaria also is a home to one of the largest African University (Ahmadu Bello University, Nigerian College of Aviation Technology, Nigerian Institute of Transport Technology, National Research institute for Chemical Technology, Federal College of Education, Nuhu Bamalli Polytechnic, Ameer College of Advance studies, Barewa College, Alhudahuda Collage, Nigerian Military School, Depot Nigerian Army and other established institutions.

3. The Concept of Insurgency

Insurgency is usually of violent art and violence has been defined by the World Health Organization's (W.H.O) World Report on Violence and Health as “The intentional use of physical force or power, threatened or actual, against one-self, another person, or against a group or community, that either results in or has a high likelihood of resulting in injury death, psychological harm, Mal- development or deprivation” (W.H.O, 2002:5). The above definition has given a vivid picture of violence and which has been accepted for this paper as a true picture of insurgency.

Any crisis caused by hoodlums or militants may not continue forever, neither would any anticipated benefit be continue to be recorded. In this regard one may vividly perceive that the universally agreed accounting concepts of going concern is threaten, because continuity of insurgent act may not be guarantee as the insurgents are killed as they are Killing, the going concern of such an unlawful investment is Jeopardized base on the understanding that financial statement of businesses are mainly prepared “on the understanding that the business is a going concern or continuing business and not one on the verge of cessation” (Longe and Kazeem, 2008). As far as the perpetrators of insurgence act are killed, their actions may also be reduced or abruptly come to an end.

The cost concept (Historical cost concept) as posited by Longe and Kazeem (2008) is that “the value of assets are shown at the cost of acquisition, it cannot be valued in terms of the future returns it is expected to generate”, this may also be ascertain as the cost of an asset is not a period cost which can be match with the revenue it generated, but can only be written off instalmentaly base on the usage it is put to or base on the anticipated useful life of it, any arm or ammunition bought or use by insurgent has no foreseeable life span,
this made it somehow impossible to write it off base on the period of it usage as the activities of insurgents cannot be predicted.

“The Nigerian society has a high expectation on the accounting professional, because it can be said to be the bedrock for any social, political and economic transformation of any society” (Dandago, 2002). This made it important for the actions of the insurgent to be related to the accounting concepts, so as to give a quality picture of an economy plagued by insurgences because business entity’s existence may be in dilemma as regard the choice of securing or protecting the life of their employees and their invested capital at the period of siege.

4. The Concept of Economic Development

Peace played an important role in the development of an economy, as economic development “is the increase (or expansion) of the national income or total value of production of goods and services of a country accompanied by improvements in social political and economic lives of the people in that country”(Wiah, 2006). The country is an economy and “An economy or business system is a way of producing goods and services and of providing a means for people to get them” (Brown and Clow, 2000). That is investment may only be determined by the investors, because it is a means of putting money into use for future benefit to be enjoy, there by leading to the economic growth of a state which is usually seen as an increase in the total income of an economy and subsequently lead to an increase in the development of a state. During any period of insurgence, the security of the invested capital and lives of employee of any business entity is a source of concern to the stakeholders not increasing or maximising the profit of the investment.

5. Long Term Cost Implication of Insurgency

When able youths of today are killing their selves through fighting it then “Extend to the killing of state security officials…..kidnapping and ransom seeking”(Ikelegbe, 2001:13). As a result of uprising or insurgency, the future workforce may Shrink and gradually die out, that is to say the current workforce of today may get old as a result of day in day out or may become obsolete with respect to technological innovation in the future and youth of today who are to take over from them are gradually killing or harming themselves or harmed or being killed by the security officials thereby creating vacuum in the economic future of a state, which at the same time pose threat to the going concern of the economic activities of a nation which in the long run may also lead to child slavery as those to take up the future economic challenges may have gradually been reduce as a result of insurgences and the remaining may not be able to champion the economic demands, then the children would be force to work in order to sustain themselves and the living aged ones.

6. Methodology

Data was collected from respondents who are economically engaged in Zaria metropolis as a result of being one of the major town which host Nigerians of different ethnics and religion background and had also witness crises that always had a mix of ethnic and political dimensions in recent time convenient sampling method was adopted and at least each sector of the economy was represented. Hundred (100) respondents were sampled and issued with questionnaire but only 84 were able to responds to the demands of the questionnaire (see appendix).
7. Findings

The economic implication of insurgence on the economic development of a state is a source of concern to every well meaning individuals, this provides diverse opinion which made it possible for questionnaire to be prepared in a close ended manner, so as data derived are easily analysed and interpreted to give meaningful information to the user or consumer.

The data sourced are divided into three phases and tabulated as follows (see appendix):
1. Attitude of respondents towards economic consequence of insurgency
2. Attitude of respondents towards the causes of insurgences and
3. Attitude of respondents on the prevention and control of insurgences.

Table: Attitude of Respondents Towards Economic Consequence of Insurgency.

<table>
<thead>
<tr>
<th>Question code</th>
<th>Questions Serial No</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1</td>
<td>21</td>
<td>25.00</td>
</tr>
<tr>
<td>B</td>
<td>2</td>
<td>15</td>
<td>17.86</td>
</tr>
<tr>
<td>C</td>
<td>3</td>
<td>70</td>
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<td>D</td>
<td>4</td>
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</tr>
<tr>
<td>E</td>
<td>5</td>
<td>20</td>
<td>23.81</td>
</tr>
<tr>
<td>F</td>
<td>8</td>
<td>61</td>
<td>72.62</td>
</tr>
<tr>
<td>G</td>
<td>9</td>
<td>72</td>
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</tr>
<tr>
<td>H</td>
<td>10</td>
<td>21</td>
<td>25.00</td>
</tr>
<tr>
<td>I</td>
<td>12</td>
<td>79</td>
<td>94.05</td>
</tr>
</tbody>
</table>

Source: Questionnaire Administered 2013

The above table indicates that 75 percent of the respondents do not go to work or engaged in business activities, while 25 percent responded they do go work or engage in business activities during state unrest. 82.14 percent of respondents believed that there is no benefit derived, while 17.86 percent are of the belief that people derive benefit from engaging in social unrest. 83.33 percent of the respondent are of the opinion that the after with of any civil unrest destabilises economic development of the affected society, while 16.67 percent expressed a contrary opinion. 59.52 percent overweight 40.48 percent who believed that society affected by any unrest benefit from it economically. 76.19 percent believed that the future of any society affected by conflicts would not be bright, while 23.81 disbelieve the assertion.

The above table also show that 72.62 percent are of the opinion that militants who engaged in militancy act benefit, while 27.38 responded negatively to the assertion. 85.71 of respondents opined that militant can be called enemies of economic development, while 14.29 refute the assertion. 75 percent opined that the public does not benefit from any conflict in any community, but 25 percent opined that the public benefit from any conflicts in any community. 94.05 attest that curfew period affect business or work, while 5.95 reject the claim.

It will be understood that whatever dimension an insurgence takes, it negatively affect the economic progression of a state.

Table II: Attitude of respondent on the prevention and control of insurgences.

<table>
<thead>
<tr>
<th>Question Code</th>
<th>Question Serial No</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>7</td>
<td>73</td>
<td>86.90</td>
</tr>
<tr>
<td>P</td>
<td>11</td>
<td>64</td>
<td>76.19</td>
</tr>
</tbody>
</table>

Source: Questionnaire administered 2013.
The above table indicates that 86.90 percent are of the opinion that the occurrence of insurgency can be prevented, while 13.10 percent opined that nothing can be done to prevent the occurrence of insurgencies. 76.19 percent believed that the imposition of curfew help in controlling civil unrest, while 23.81 disregard such believe.

However; if can be noted that insurgency can be prevented or controlled by the parties involved.

**Table III: Attitude of respondents toward the cause of insurgence**

<table>
<thead>
<tr>
<th>Question Code 2</th>
<th>Factors</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty</td>
<td>7</td>
<td>8.33</td>
<td></td>
</tr>
<tr>
<td>Illiteracy</td>
<td>8</td>
<td>9.52</td>
<td></td>
</tr>
<tr>
<td>Politics</td>
<td>9</td>
<td>10.71</td>
<td></td>
</tr>
<tr>
<td>All of the above</td>
<td>60</td>
<td>71.44</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Questionnaire administered, 2013

The table above present the analysis on the causes of insurgences using simple percentage, where 71.44 percent opined that all the factors mentioned above (poverty, illiteracy and politics) causes insurgences, 10.71 percent opined as politics is a factor that causes insurgences, 9.52 percent are of the view that the cause of any insurgence is illiteracy, while the remaining 8.33 percent strongly believe that poverty is the sole cause of insurgency.

To sum it up, the factor which causes youth to engage in any civil unrest are factors which can be avoided or put in place for the benefit of the state.

8. Conclusion and Recommendations

The information about economic activities of any Nation State or community affected by insurgency is usually disrupted pending when normally returned to the affected environment.

In line with the finding the following recommendations aimed at improving the conducive business environment to champion economic growth and subsequently attain economic development:

i. Execution: It is recommended that the government and the business organization should engage in the construction of social amenities in communities, so as to create the sense of belonging to the members of communities.

ii. Orientation and awareness campaign: The state and the non governmental agencies should engage in sensitizing and orientating the youth about the danger of doing politics with hatred.

iii. Migration: Economic opportunities should be made available to the grass root through creating power plant and other economics needs of investment to establish cottage industries in the interior villages.

iv. Monitoring: The legislature, executives and elites should help in monitoring development project awarded to rural areas for completion and standard to actualize.

v. Counselling: Guidance and counselling offices should be opened in communities to help in settling misunderstanding through dialogue so that youth would not work “full time or part-time with armed groups” (francis et al, 2011).
References


