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*RESEARCH ARTICLE*

# SECURITY, PEACEFUL DEVELOPMENT, AND SUSTAINABLE ECONOMIC GROWTH IN NIGERIA

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## ABSTRACT

This paper investigates the relationship between security and economic growth by assessing the effect of internal security stability and government-led peacebuilding programs. The study is informed on the perception that peace and stability are essential for productive and sustainable growth. It is guided by two research questions: how does the internal security stability impact on major economic indicators in Nigeria from 2009 to 2024 and to what extent do government security policies and peacebuilding initiatives facilitate sustainable economic growth in Nigeria within the period under study? The research employed security-development nexus theory and a mixed-method approach, combination of quantitative and qualitative methods, to evaluate the nexus between security situations and economic outcomes. Whereas quantitative data sourced from both national and international sources are used to assess the effect of internal security stability on labour market performance, investment and output growth, the qualitative data from policy documents and stakeholders' interview provide useful knowledge into the efficacy of security interventions and peacebuilding programs. The study revealed that improvement in internal security stability noticeably bolster investor's confidence, motivate employment generation and encourage sustainable economic growth, with peacebuilding strategy serving a key mediating function in conflict-affected area. The study therefore recommended enhancement of internal security stability governance as fundamental for sustainable economic growth and methodical integration of peacebuilding initiatives into both states and national development planning structure.

**Keywords:** Security and development, internal security stability, peacebuilding, economic growth

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## 1.0. INTRODUCTION

In most developing countries seeking to reduce poverty, create employment, and improve living standards, security is increasingly recognized as a fundamental condition for economic growth and sustainable. For an enhanced investor confidence, productivity and institutional effectiveness, a peaceful and stable environment is fundamental. This enables government to focus resources on development rather than conflict management. On the contrary, insecurity discourages investment, disrupts economic activities, damages infrastructure, and diverts public funds from development projects.

Nigeria offers an important case study because, despite being Africa's largest economy with vast developmental potential, it continues to face serious security threats, including insurgency, banditry, terrorism and farmer-herder conflicts. These challenges have negatively impacted on agriculture, industry, infrastructure, employment, and investor confidence. To address these anomalies, the Nigerian government has implemented counterinsurgency operations, peacebuilding initiatives, regional security frameworks, and reintegration programs.

Despite these known efforts, insecurity remains a major obstacle to sustainable growth. The study posits that security should be viewed not merely as a political or military issue, but as a crucial economic driver for Nigeria's long-term and sustainable development. The study identifies a gap in empirical and policy-oriented research linking internal security stability to macroeconomic indicators such as GDP growth, employment, and investment inflows, as well as evaluating the effectiveness of government security and peacebuilding policies.

Accordingly, the study attempts to interrogate how internal security stability influences Nigeria's macroeconomic performance from 2009 to 2024 and assess the extent to which security policies and peacebuilding programmes promote sustainable regional development. To attain these objectives, the study interrogates the following research questions: 1. How does the internal security stability affect important macroeconomics indicators in Nigeria between 2009 and 2024? 2. How much do government security policies and peacebuilding programmes facilitate sustainable economic development throughout Nigerians regions during the period under review? The research is significant because it contributes to the broader literature on security and development, provides policy guidance for integrating security governance with economic planning, and highlights how peaceful development can support Nigeria's sustainable and inclusive economic future.

## 2.0. CONCEPTUAL AND THEORITICAL FRAMEWORKS

### 2.1. Clarifications of concepts

**Security and internal stability**

Security and internal stability denote to the conditions in which a state is protected from prolonged and persistent threats to lives, property, institutions, and territorial integrity, while maintaining law, order, and effective governance. Although security was traditionally viewed in military terms, contemporary perspectives broaden it to include human security, political stability, and freedom from violence and fear (UNDP, 1994). Internal stability equally involves the effective management of conflicts, terrorism, crime, and social unrest, alongside the capacity of state institutions to enforce laws and protect citizens (Collier et al., 2003). In development studies, internal security stability is

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considered necessary for economic activity, investment, and institutional performance, this is so because insecurity increases transaction costs, discourages capital formation, and disrupts productivity (World Bank, 2011).

**Peaceful Development**

Peaceful development is defined as a development approach which is grounded in the absence of violent conflict and supported by good governance, social cohesion, and strong peacebuilding institutions. It emphasizes the mutually reinforcing relationship between peace and development, where peace enables economic progress while equitable development reduces the likelihood of conflict (OECD, 2011). Beyond merely ending violence, peaceful development includes post-conflict reconstruction, reconciliation, and strengthening institutions capable of resolving disputes peacefully (Johan Galtung, 1969). In fragile societies, it requires targeted policies that address structural causes of conflict, rebuild infrastructure and livelihoods, and restore trust between citizens and the state (UN and World Bank, 2018). Such conditions create a foundation for long-term sustainable growth and national stability.

**Sustainable economic growth**

Sustainable economic growth means a long-term economic expansion that does not generate severe inequality, institutional instability, or environmental degradation. It includes improvements not only in income and output, but also in human welfare, institutional quality, and intergenerational equity (Solow, 1993). The concept is in tandem with sustainable development principles, which seek to meet present needs without compromising the ability of future generations to meet theirs (World Commission on Environment and Development, 1987). To development economists, sustainable growth is associated with stable institutions, political stability, macroeconomic balance, and human capital development (Barro, 1996). In unconducive areas, achieving sustainable growth depends heavily on strengthening peace and governance systems to ensure that economic progress remains inclusive, resilient, and enduring.

**2.2. Theoretical framework**

This study used the Security-Development Nexus Theory as its analytical framework, strssing the reciprocal relationship between security and development. The theory posits that sustainable development cannot occur without peace and stability, while lasting security is impossible without inclusive and equitable development (UNDP, 1994; World Bank, 2011). The theory became more prominent after the Cold War, and it highlights how violent conflict, poverty, weak institutions, and underdevelopment are deeply interconnected, with progress or failure in one sphere directly affecting the other.

This nexus theory explains that insecurity weakens economic performance by disrupting markets, destroying human and physical capital, discouraging investment, and diverting public resources toward military spending (Collier et al., 2003; Stewart, 2004). Equally, development failures such as unemployment, inequality, political exclusion, and weak governance can intensify conflict and social unrest (OECD, 2011). As a result, the framework emphasizes prevention, institution-building, and inclusive growth as essential foundations for the attainment of peace and prosperity.

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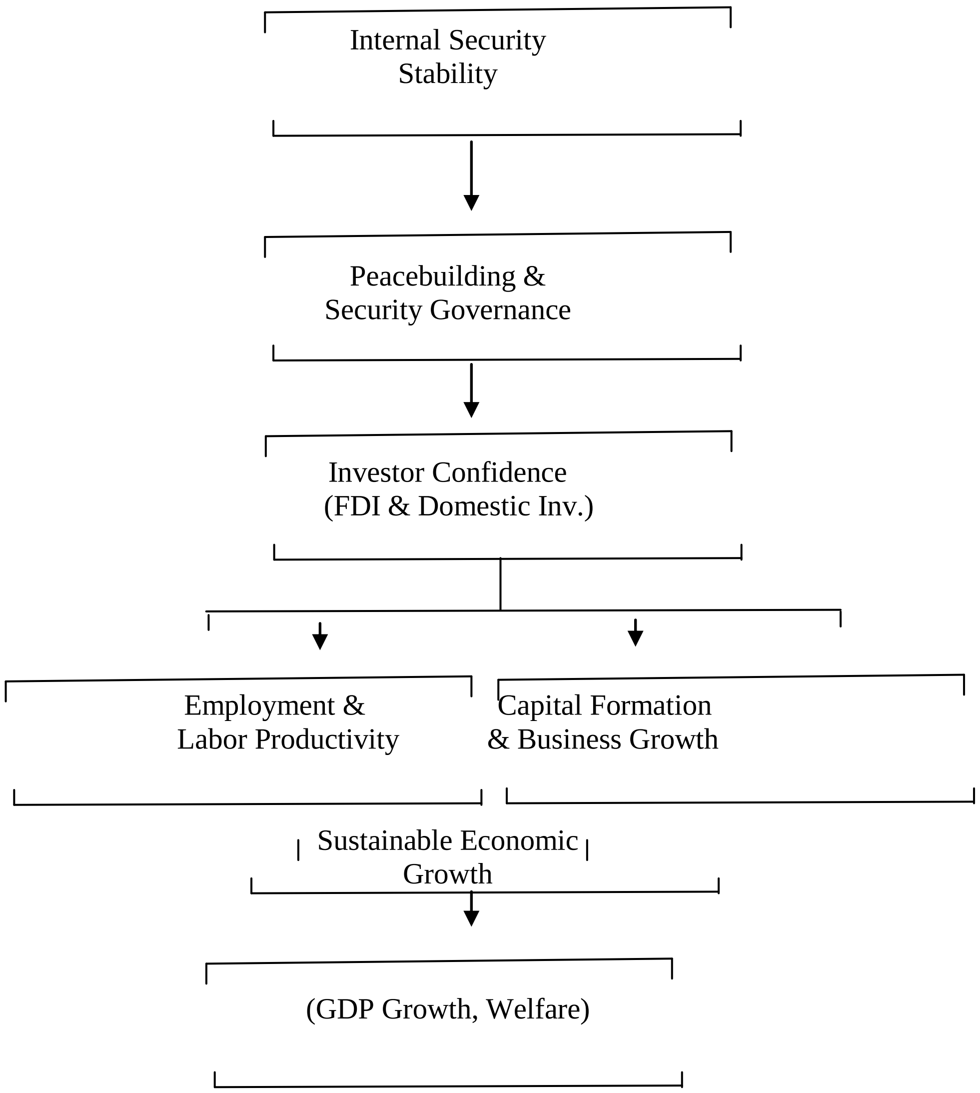
According to UNDP (1994), the theory is also rooted in the human security paradigm, which broadens security beyond territorial defense to include economic, social, political, and personal well-being. It falls in line with Johan Galtung's distinction between negative peace, defined as the absence of violence, and positive peace, which includes social justice, equitable institutions, and sustainable development (Galtung, 1969). Thus, peaceful development includes not only ending conflict but also creating structural conditions that ensures and sustains long-term stability and growth.

Applied to Nigeria, the theory attempts to explains how terrorism, insurgency, banditry, kidnapping, militancy, and communal conflicts have undermined economic growth through infrastructure destruction, displacement, reduced productivity, and declining investor confidence. The framework predicts that insecurity negatively affects GDP growth, employment, and investment inflows by increasing transaction costs and weakening fiscal and institutional capacity (Collier et al., 2003; World Bank, 2011).

**Figure 1: Conceptual Model: Security as a Catalyst for Economic Growth**



The theory further emphasizes the role of state institutions and peacebuilding programs in connecting security improvements to long-term development outcomes. Effective security governance, post-conflict reconstruction, and community peacebuilding are viewed as essential for rebuilding trust, markets, and economic resilience (OECD, 2011; UN and World Bank, 2018). Enhancements in security are expected to improve investor confidence, employment generations, and capital accumulation, thereby creating a virtuous cycle of economic growth, stronger state legitimacy, and sustainable peace (Barro, 1996; Stewart, 2004).

Lastly, the study uses the Security-Development Nexus Theory to situate Nigeria's security concern within a broader political economy perspective, arguing that peace, institutions, and development are interdependent foundations of sustainable economic transformation and inclusive national development. The mediating and moderating variables, illustrates the theoretical connections between security stability, peacebuilding, investment, employment, and economic growth.

## 2.3. Review of Empirical Literature

**Security and economic performance on the global level:**

Empirical studies consistently reveal that insecurity as a result of terrorism, civil war, crime, or political instability has serious negative outcomes on economic performance. Conflict slows GDP growth, discourages domestic and foreign investment, disrupts human capital accumulation, and delays long-term development (Collier, Hoeffler, and Sederbom, 2003; Blattman and Miguel, 2010). For instance, Abadie and Gardeazabal (2003) discovered that terrorism significantly reduced GDP per capita in Spain's Basque Country compared to a peaceful counterfactual region. Broader international evidence also links insecurity and political unrest to lower economic growth and unstable macroeconomic conditions (World Bank, 2011).

The research further indicates various mechanisms through which insecurity destroys economies. It raises transaction and risk-related costs, discouraging market activity and private investment (Collier, 2003). Violence harms infrastructure and physical capital, forcing firms and households to divert resources from productive investment toward protection and recovery (Blattman and Miguel, 2010). Insecurity is also figured to cause population displacement, lowers labour productivity, and weakens labour market participation. In addition, governments often redirect public funds toward security operations and emergency relief at the detriment of education, infrastructure, and human capital development, as a result reducing institutional capacity and fiscal sustainability (World Bank, 2011; OECD, 2010).

Research also indicates that the economic impacts of insecurity are long-lasting. Nation-states and regions experiencing protracted violence often recover rather slowly, with results depending on institutional strength, market access, and the nature of the conflict (Blattman and Miguel, 2010; UN and World Bank, 2018). These findings aligns with the study's argument that improvements in internal security stability can generate measurable gains in foreign direct investment (FDI), employment, and GDP growth by increasing investor confidence and lowering transaction costs.

**Conflict, investment, and development in Africa and Nigeria context**

Studies in Africa generally confirm global findings that insecurity and conflict negatively affect development, while also stressing contextual factors such as weak institutions, resource dependence, and ethno-linguistic divisions. Studies across African states indicate that insecurity and civil conflict

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reduce agricultural productivity, discourage foreign direct investment (FDI), and intensify poverty and displacement (World Bank, 2011; OECD, 2010). Research further indicatess that political violence and terrorism significantly damage tourism, extractive industries, and investor confidence across African economies (Abadie and Gardeazabal, 2003; UN and World Bank, 2018).

In the Nigerian context, studies reveal various significant empirical patterns. Insecurity such as insurgency in the Northeast, militancy in the Niger Delta, banditry and kidnapping in the North-West and North-Central has been linked to declining agricultural productivity, disrupted supply chains, and reduced regional investment and employment (UN and World Bank, 2018). State analyses further indicate that areas experiencing frequent violent incidents tend to record lower formal employment, weaker economic activity, and greater household vulnerability (World Bank reports; national statistics agencies). Major economic sectors such as agriculture and extractive industries, which are central to Nigeria's economy, are especially vulnerable to security shocks because of increased operating costs, damaged infrastructure, and supply disruptions.

Empirical assessments of government security interventions and amnesty or reintegration programmes, in the Niger Delta and Northern part of Nigeria, produce mixed findings. While some initiatives have visibly reduced violence and stimulated short-term local economic recovery, long-term development outcomes often depend on broader institutional reforms and complementary development interventions (OECD, 2011; UN and World Bank, 2018). Studies also stress that effective peacebuilding requires coordinated sequencing of security, justice, and development policies to effectively transform stability into investment and employment opportunities. Above all, the empirical literature from Africa and Nigeria aligns with the argument that improved security policies can encourage sustainable regional development, although their success largely depends on institutional capacity, effective policy design, and context-specific implementation.

## 3.0. METHODOLOGY

The study employs a mixed-methods approach that combines qualitative and quantitative analyses to examine the relationship between security, peacebuilding, and economic growth in Nigeria. This approach is suitable because the relationship between security, stability and development is both measurable and institutionally mediated. Quantitative analysis is used to estimate the impacts of internal security stability and peacebuilding interventions on macroeconomic indicators, whilst qualitative analysis provides contextual insights into how peacebuilding influences investor confidence, employment generation, and regional development. The study being explanatory in nature, aimed to establish causal relationship between security conditions and Nigeria's economic performance.

The research paid attention on Nigeria's six geopolitical zones in order to capture regional differences in security and development outcomes. The study period covers from 2009 to 2024, taken into account major security crises such as insurgency in the Northeast, militancy in the Niger Delta, and rising banditry and kidnapping, alongside key policy interventions and macroeconomic changes. The study relies mainly on secondary data from credible domestic and international sources, supplemented by survey data.

Quantitative analysis involving simple descriptive statistics using pooled mean scores was employed, where 1.00-2.49 shows low influence or weak impact, 2.50-3.49 indicates moderate influence, and 3.50-5.00 represents strong influence or high impact. Qualitative data are analyzed via thematic

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content analysis to showcase mechanisms linking security stability with economic outcomes. By integration of econometric analysis with qualitative policy evidence, the study seeks to provide a comprehensive and policy-relevant understanding of security as a primary driver of Nigeria's sustainable economic future.

## 4.0. PRESENTATION OF RESULTS AND DISCUSSIONS

### 4.1. Presentation of Empirical Findings

### Nigeria's Macroeconomic Performance and Security Trends

The descriptive analysis indicates a strong relationship between Nigeria's security conditions and macroeconomic performance from 2009 to 2024 as presented in Table 1 show differences in impacts.

**Table1:** Security Stability and Its Impact on Employment, Firm Expansion, and Labour Demand in Nigeria (2009-2024)

| Period | Security Stability situation in Nigeria | Impact on Employment | Impact on Firm Expansion | Impact on Labour Demand | Key Evidence |
|---|---|---|---|---|---|
| 2009-2012 | Escalation of Boko Haram insurgency in Northern Nigeria created widespread insecurity and disrupted economic activities. | Businesses closed or relocated, leading to job losses and rising unemployment in affected regions. | Many firms reduced operations due to safety concerns and damage of infrastructure | Labour demand declined as companies' operations and investment | Rising insecurity disrupts economic activities and discourages investors |
| 2013-2015 | Intensification of insurgency communal conflicts, and terrorist attacks across several regions. | Labour displacement increased as worker migrated from insecure regions. | Foreign and Domestic investment declined due to security risk | Reduced hiring and slowdown in economic growth. | Insecurity deters foreign investment and increases unemployment |
| 2016-2019 | Partial security improvements in some regions but continued farmer-herder conflicts and banditry | Employment growth remained unstable due to insecurity in agriculture and rural sectors. | Some firms resumed operations in safer areas while others avoided conflict zones. | Labour demand increased slightly in stable regions but remained weak nationally. | Persistent conflicts disrupt agriculture and rural livelihoods. |
| 2020-2021 | Expansion of banditry and kidnappings in northern and northwestern states. | Many SMEs experienced workforce losses and higher employee turnover. | Businesses closed or downsized due to insecurity and reduced customer activity. | Labour demand declined as firms reduced production and investment. | Insecurity negatively affected SME performance and workforce stability. |
| 2022-2024 | Continued security challenges including banditry, communal violence, and displacement. | Insecurity contributes to unemployment and weak labour market participation. | Investors remain cautions, affecting firm expansion and economic growth. | Labour demand constrained by low productivity and reduced economic activity | Insecurity reduces economic activity, investment, and productivity. |

Source: Jelilov, 2018, Agunbiade, 2024, RSIS, 2023

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These periods marked by intensified insurgency in the North-East, renewed militancy in the Niger Delta, and increasing banditry and kidnapping in the North-West and across the nation corresponded with higher levels of violent conflict and insecurity. These security challenges were also associated with reducing investor confidence and heightened macroeconomic instability, indicating that worsening insecurity negatively impacted Nigeria's economic performance outcome during the period under review.

From the table above, Nigeria's security crises between 2009 and 2024 significantly influenced economic performance. Obstinate insecurity was found to have disrupted business activities as well as discourage both domestic and foreign investment, weakened labour markets, increased cases of unemployment, and reduced productivity, thus, reducing business expansion and labour demand in Nigeria nation-state. Between 2011-2015 and 2018-2021, the periods of heightened insecurity, when terrorism and violent incidents intensified, coincided with declining foreign direct investment (FD1) inflows.

In contrast a little improvement in FDI inflows were noticed during periods of relative internal security stability and after the execution of targeted security and amnesty initiatives, particularly in the Niger Delta region following the amnesty program. The impacts of insecurity were also observed in employment patterns, as conflict-affected areas experienced increasing unemployment and underemployment, especially within the agricultural and small-scale manufacturing sectors.

**Table 2: 2011-2015 & 2018-2021 FDI inflows in Nigeria (Net, current US$ & as % of GDP**

| Year | FDI Inflows (USD millions) | FDI Inflows (% of GDP) |
|---|---|---|
| 2011 | 8914.89 | - |
| 2012 | -1530 | - |
| 2013 | -1227 | - |
| 2014 | -1614 | - |
| 2015 | 1435 | - |
| 2018 | 775.24 | 0.62% |
| 2019 | -2310.00 | 0.7% |
| 2020 | 2390 | 0.55% |
| 2021 | 3310 | -0.8 – 1.0% |

Source: world Bank, Macrotrends

Foreign direct investment (FDI) inflows in Nigeria fluctuated significantly during the period under review, reflecting the influence of insecurity on investor confidence. In 2011 FDI peaked at approximately USD 8.91 billion but declined drastically to one of its lowest levels, in 2018 to USD 775.24 million. 2020 and 2021 recorded moderate recoveries with inflows of USD 2.39 billion in 2020 and USD 3.31 billion respectively.

Between 2014 - 2016 and 2020 - 2021, GDP growth trends further indicate that periods of heightened insecurity were associated with economic slowdowns and contractions. Regional comparisons also show that the North-East and North-West, which experienced higher levels of violence and instability, consistently recorded weaker growth and employment outcomes compared to the relatively more

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stable southern states. Overall, the descriptive evidence suggests a strong inverse relationship between insecurity and Nigeria's investment inflows, employment levels, and economic growth.

**Table 3: GDP growth trends 2014-2016 and 2020-2021**

| S/N | Year | GDP Growth (Annual%) |
|---|---|---|
| 1 | 2014 | 6.3% |
| 2 | 2015 | 2.7% |
| 3 | 2016 | -1.6% |
| 4 | 2020 | -1.8% |
| 5 | 2021 | 3.6% |

Source: World Bank

Nigeria's economy expanded strongly in 2014, with growth of about 6.3%, slowed significantly in 2015 with growth of about 2.7% and keep slowing in 2016 through 2020 with growth of about -1.6 to -1.8 respectively. It eventually picked up in 2021 with growth of about 3.6%.

**How Internal Security Stability Affects Macroeconomic Measures**

**Table 4: Degree of Response**

| N | Statements | SA | A | NE | D | SD | EX | X | Decision |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Improved internal security attracts more domestic investment | 450 | 372 | 234 | 72 | 3 | 1131 | 3.7 | High Impact |
| 2 | Improved internal security attracts foreign direct investment | 525 | 360 | 270 | 30 | 0 | 1185 | 3.9 | High Impact |
| 3 | Investors prefer to operate in peaceful and secure regions | 465 | 360 | 270 | 36 | 9 | 1140 | 3.8 | High Impact |
| 4 | Insecurity discourages business expansion in many Nigerian regions | 450 | 360 | 108 | 156 | 6 | 1080 | 3.6 | High Impact |
| 5 | Insecurity negatively affects productivity and business performance | 375 | 148 | 114 | 150 | 75 | 862 | 2.8 | Moderate Impact |
| 6 | Regions with better security experience faster economic growth | 525 | 360 | 270 | 30 | 0 | 1185 | 3.9 | High Impact |
| 7 | Internal security stability contributes significantly to Nigeria's GDP growth | 375 | 152 | 111 | 150 | 75 | 863 | 2.8 | Moderate Impact |
| 8 | Stable security conditions promote job creation and employment growth | 475 | 152 | 111 | 150 | 55 | 943 | 3.1 | Moderate Impact |

$$\frac{3.7 + 3.9 + 3.8 + 3.6 + 2.8 + 3.1 + 2.8 + 3.1}{8} = \frac{27.6}{8} = 3.5$$

Table 4 presents a pooled mean score of 3.5 on respondents' views regarding investment inflows, productivity, business performance, GDP growth, and employment, indicating a strong relationship between security conditions and Nigeria's macroeconomic performance.

The descriptive findings are reinforced by the statistical results, which show a significant positive relationship between internal security stability and macroeconomic outcomes. Increased foreign direct investment (FDI), higher employment rates, and stronger GDP growth are associated with improvements in security stability

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More importantly, the security stability index in the FDI model is positive and statistically significant at the 1 percent level, showing that reductions in violent conflict and insecurity lead to measurable increases in foreign investment inflows. In the same vein, improvement in security conditions positively influence employment by encouraging business expansion, labour demand, and workforce participation. Furthermore, the GDP growth analysis indicates that even after controlling for factors such as inflation, exchange rate fluctuations, public expenditure, and institutional quality, a one-unit improvement in security stability significantly increases real GDP growth and GDP per capita growth.

**Regional and Sectorial Disparities in the Impact of Security**

The impact of security on economic performance reveals substantial regional and sectoral differences. Sectoral regressions indicate that the agricultural and manufacturing sectors are typically vulnerable to security shocks, having severe effects on agricultural employment and output in rural and conflict-prone areas.

In the Norm-East, North-West, and Niger Delta regions, the findings further show that the economic benefits of improved security stability are greatest, where baseline insecurity levels are highest. Conversely, in southern states with relatively stable security conditions experience smaller marginal gains from additional security improvements. These outcomes emphasize the uneven spatial distribution of the security dividend and underscore the need for region-specific security and development strategies.

**The Peacebuilding Programs and Government Security Policies**

The government security spending and peacebuilding programs reveal mixed but generally positive development outcomes. In the Niger Delta areas, the post-amnesty initiative contributed to short and medium-term reductions in violence, alongside modest increases in oil production, investment inflows, and state-level GDP. In a similar vein, some state-level security interventions improved employment, local market activities, and agricultural productivity in conflict-affected communities. Nevertheless, these gains remain friable and uniform across regions.

The findings also indicate that security spending alone does not consistently generate sustainable long-term growth except being accompanied by institutional reforms as well as broader development initiatives. A combination of security measures with livelihood support, infrastructure rehabilitation, and community reintegration produces stronger and more lasting effects on regional employment and economic growth than purely military-centered interventions.

Table 5 above shows a pooled mean score of 3.4 on respondents' assessments of policy effectiveness, peacebuilding impact, regional development, infrastructure, and institutional protection, indicating that government security policies and peacebuilding programmes exert a moderate influence on development outcomes.

The findings further indicate that peacebuilding initiatives play a crucial role in translating security improvements into sustainable development. Nevertheless, their effectiveness largely depends on the quality of programme design, institutional capacity, and the extent to which they are integrated into broader economic and development plans.

**Table 5:** Degree of Response

| N | Statements | SA | A | NE | D | SD | EX | X | Decision |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Government policies have improved safety in my region | 375 | 152 | 111 | 150 | 75 | 863 | 2.8 | Impact Moderate |
| 2 | Current security policies support sustainable economic growth | 450 | 360 | 108 | 156 | 6 | 1080 | 3.6 | High Impact |
| 3 | Peacebuilding initiative have reduced conflicts in affected areas | 450 | 372 | 234 | 72 | 3 | 1131 | 3.7 | High Impact |
| 4 | Conflict resolution programs encourage long-term investment | 500 | 360 | 270 | 30 | 5 | 1165 | 3.8 | High Impact |
| 5 | Peacebuilding is essential for Nigeria's long-term economic stability | 375 | 300 | 225 | 76 | 37 | 1013 | 3.3 | Moderate |
| 6 | Regions with strong peacebuilding programs show better development outcomes | 540 | 380 | 249 | 28 | 0 | 1197 | 3.9 | High Impact |
| 7 | Collaboration between government and communities improve development | 375 | 300 | 225 | 150 | 0 | 1050 | 3.5 | High Impact |
| 8 | Security agencies adequately protect economic infrastructure | 375 | 152 | 111 | 150 | 75 | 863 | 2.8 | Impact Moderate |

$$\frac{2.8 + 3.6 + 3.7 + 3.8 + 3.3 + 3.9 + 3.5 + 2.827.4}{8} = 3.4$$

In conclusion, the analysis produces four major views. First, that internal insecurity in Nigeria is strongly associated with slower GDP growth, increasing unemployment, and declining investment inflows. Second, that security significantly influences investment performance, showing that security policies are not only socially important but also economically and fiscally critical. Third, that the economic benefits of improved stability are not uniformly distributed, with the greatest gains occurring in conflict-affected regions and varying across sectors and geographical areas.

Fourth, peacebuilding initiatives contribute positively to regional development when combined with institutional strengthening, reintegration programmes, and improved governance, rather than sole reliance on military responses. Ultimately, the findings offer strong empirical support for the argument that security in Nigeria functions not merely as a prerequisite for development, but as an active catalyst for sustainable long-term economic growth.

### 4.2. Discussion

#### Security as a Prerequisite for Economic Growth

The central argument of the security-development nexus theory is that security is a fundamental prerequisite for economic growth, the empirical findings strongly support it. The significant relationship between the effects of internal security stability on GDP growth, employment generation, as well as the investment inflows confirm the theoretical view that peace and stability create the conditions necessary for sustained economic activity. Enhanced security reduces uncertainty and

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transaction costs, protects human and physical capital, and encourages both domestic and foreign investment, as a result stimulating output growth and job creation.

The mediation results further consolidate this theoretical view point by showing that investment and employment serve as main channels through which security enhancements translate into economic growth. These findings are also in line with human security and political economy approaches, which stress the importance of reducing deprivation through capital accumulation and productive labour market participation. In the overall, the study is of the opinion that insecurity has functioned as a major obstacle on Nigeria's economic growth, while improvements in internal security stability can generate substantial economic benefits, with particularly reference to conflict-affected areas.

**The Role of Governance and Institutions**

The results stress the crucial role of institutions and governance in shaping the relationship between security and economic growth. Only improved security cannot achieve sustainable development without effective governance structures, as regions with stronger institutional quality experienced greater economic benefits from security stability. In areas where the rule of law, administrative capacity, and public service delivery remain weak, the economic gains from enhanced security are often fragile, limited, or temporary.

These findings were consistent with the institutional perspective of the security-development nexus, which posits that peace dividends can only be sustained when security improvements are embedded within reliable institutions capable of supporting investment, enforcing contracts, and managing post-conflict transitions. The research further opines that regional differences in Nigeria's development outcomes are partly driven by variations in governance quality and state capacity, emphasizing the need for integrated reforms that combine institutional strengthening with effective security governance.

**Nigeria's Security-Development Nexus Implications**
**Investor Confidence and Economic Recovery**

The study's one of the most important results is the central role of investor confidence in Nigeria's long-term economic growth and recovery. The significant association between security stability and foreign direct investment (FDI) inflows shows that perceptions of safety and political risk significantly influence investment decisions. Nigeria's growth potential is weakened by insecurity via discouraging new investments, increasing capital flight, delaying projects, and raising financing costs.

The results further imply that sustained improvements in internal security can create positive recovery cycles in which increased investor confidence stimulates capital formation, business expansion, and employment generation, thereby strengthening economic stability and state legitimacy. Nevertheless, the uneven outcomes of security spending and peacebuilding initiatives indicate that military measures alone are not enough to restore investor trust. Instead, long-term economic recovery requires transparent institutions, credible security governance, and complementary development policies capable of transforming short-term stability into sustainable growth.

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**Regional Development and Inequality**

The finding reveals strong regional disparities with important implications for inclusive development and spatial inequality in Nigeria. The more conflict affected areas of North-East, North-West, and Niger Delta have the greatest potential to benefit from enhanced security, but they equally face the highest risk of continued economic stagnation if insecurity persists. The uneven distribution of the security, dividend suggests that insecurity has significantly widened regional development inequalities by consistently restricting investment, employment, and economic growth in vulnerable areas.

These findings therefore, highlight the need for region-specific security-development frameworks that combine stabilization efforts with targeted investments in infrastructure, agriculture, education, and livelihoods. Without systematic integration of peacebuilding and regional development planning, improvements in security may in disproportionate manner favor already stable regions, thereby reinforcing existing inequalities and undermining long-term national cohesion.

## 5.0. CONCLUSION AND RECOMMENDATIONS

### 5.1. Conclusion

This study investigated how internal security stability and peacebuilding initiatives influence Nigeria's macroeconomic performance and prospects for sustainable development, with security analyzed as a catalyst for economic growth. The study offered provide strong empirical evidence that insecurity significantly constrains employment, investment, and economic expansion in Nigeria. Slower GDP growth, rising unemployment, and declining foreign direct investment (FD1) inflows were linked with periods of heightened violence and instability whereas periods of improved security corresponded with partial macroeconomic recovery.

The study further demonstrates that internal security stability has a positive and statistically significant effect on major macroeconomic indicators. Improved security conditions encouraged both domestic and foreign investment, expanded employment opportunities, and accelerated economic output, with investment and labour market-channels serving as key mechanisms linking security to growth. The analysis also shows substantial regional and sectoral differences, displaying that conflict-affected areas and security-sensitive industries experience the greatest potential gains from stability. Additionally, government security policies and peacebuilding programmes were found to positively impact regional development when they incorporated livelihood support, institutional strengthening, and reintegration alongside military measures.

The study significantly contributes to the literature on the security-development relationship. This was achieved by providing new empirical evidence on the macroeconomic effects of internal security stability and peacebuilding interventions in Nigeria, one of Africa's largest and most complex economies. Through adoption of a sub-national panel framework, the research emphasizes the uneven spatial distribution of security benefits across regions and sectors.

Also, the study offers a methodological contribution by examining the mediating roles of employment and investment in the relationship between security and economic growth, thereby clarifying the mechanisms through which peace and stability promote development. Lastly, through integrating quantitative analysis with qualitative policy assessment, the study provides a more comprehensive understanding of how security governance, institutional quality, and peacebuilding strategies shape development outcomes in fragile contexts, while also providing policy-relevant insights for conflict-affected developing economies.

### 5.2. Recommendations

In view of the above discussion the study offered four main policy directions targeted at strengthening internal security stability, promoting sustainable development, improving governance and enhancing economic growth outcome in Nigerian state.

**Strengthen the governance and coordination of internal security:** Strengthening internal security governance is essential for achieving sustainable economic recovery in Nigeria. Given that, the study shows that weak coordination among security agencies, overlapping responsibilities, and fragmented operations reduce the effectiveness and developmental impact of security interventions. The study therefore suggests that policymakers should prioritize improved coordination among the military, police, intelligence. agencies, and state-level security institutions through unified command systems, shared intelligence platforms, and harmonized operational strategies.

The study also emphasizes the significant of professionalizing security institutions through improved training, accountability mechanisms., and stronger community engagement in order to build public trust and reinforce state legitimacy. Expanding community policing and early-warning systems is recommended to improve conflict prevention and reduce the economic costs of recurring violence.

**Integrating peacebuilding into national development plan:** The study established that peacebuilding initiatives are critical for transforming security improvements into sustainable economic growth. It therefore recommends that peacebuilding should be systematically integrated into national and states development frameworks, long-term economic strategies, budget processes, and sectoral policies and not treated merely as a short-term stabilization effort.

The study further recommends adjusting post-conflict reconstruction programmes with national priorities in areas of infrastructure, agriculture, education, and employment. Programmes of livelihood and reintegration for internally displaced persons and repentant combatants should also be expanded and linked to regional labour markets and economic value chains.

**Improving strategies for regional security and development:** The study emphasizes the need for region-specific security-development strategies because the economic effects of security stability vary significantly across Nigeria's regions. In conflict-affected regions such as the North-East, North-Central, North-West, and Niger Delta require tailored interventions that reflect their specific conflict dynamics, institutional capacities, and economic structures. The study therefore recommends that policy measures should combine targeted stabilization efforts with regionally focused development investments. In conflict-affected areas attention should be given to rebuilding infrastructure, supporting agriculture and small businesses, expanding social services, and restoring livelihoods so as to reduce motivations for conflict. The study also highlights the importance of decentralized security governance and greater involvement of state and local governments to improve accountability and responsiveness.

**Encouraging institutional reforms to sustain investor trust:** The study indicates that institutional quality plays an important role in shaping the relationship between security and economic growth. Whilst reducing violence is important, sustainable growth is also dependent on credible institutions that protect property rights, enforce contracts, and ensure regulatory transparency. The study therefore, recommends that security reforms should be accompanied by broader institutional reforms targeted at strengthening the rule of law, judicial efficiency improvement and corruption reduction.

This paper further recommends that development agencies, investment promotion bodies, and security institutions should have a closer collaboration. And that security agencies protecting strategic economic zones should provide reliable risk information, and ensure rapid response mechanisms for investors operating in vulnerable regions.

## Conflict of Interest

The authors declare that no conflict of interest exist in this manuscript.

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