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WAR ECONOMY AND NIGERIA'S SECURITY: MYTHS, REALITIES AND THE WAY FORWARD

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Abstract

Nigeria's security crisis is inseparable from the political economy of armed conflict. The war economy, the system of economic incentives, resource flows, and institutional arrangements that sustain violent conflict, has evolved across the Niger Delta, the Northeast insurgency, the Northwest banditry corridor, and the Middle Belt farmer-herder nexus into a multi-billion-dollar informal ecosystem that simultaneously fuels, finances, and perpetuates insecurity. Yet scholarly and policy discourse remains captive to competing myths: that conflict actors are uniformly ideologically motivated, that elevated security spending produces security outcomes, and that war economies are peripheral to Nigeria's mainstream political economy. This article challenges these myths through a systematic review of empirical evidence spanning the period 2010–2023. Drawing on 87 studies selected through PRISMA-compliant screening from an initial pool of 342 sources, and grounded in Keen's (2005) war economy framework as theoretically elaborated through Kaldor's (2013) new wars thesis and Collier and Hoeffler's (2004) greed-grievance model, the analysis demonstrates that Nigeria's war economy generates an estimated $3.8–5.2 billion in annual illicit revenue, diverts between 17.4% and 23.6% of federal expenditure to a security sector whose performance remains deeply deficient, and reproduces structural conditions, governance failure, resource capture, and elite complicity that render purely military counter-insurgency strategies ineffective. The article concludes with a theoretically grounded and empirically anchored policy framework for breaking the war economy cycle.

Keywords: War economy, Nigeria, Security, Boko Haram, Niger Delta, Banditry, Political economy of conflict, CVE, Peacebuilding

Introduction

On 26 July 2021, armed bandits in Zamfara State collected an estimated ₦800 million (approximately $1.94 million at prevailing exchange rates) in ransom payments for the release of 279 schoolchildren abducted from

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Bethel Baptist High School in Kaduna State, a single transaction that illustrated, with brutal clarity, the maturation of kidnapping-for-ransom into an institutionalised revenue stream within Nigeria's war economy (SBM Intelligence, 2021). That same week, an estimated 100,000 barrels of crude oil were siphoned from pipelines in Rivers State, equivalent to roughly $6.1 million at that week's Brent crude price (Nigeria Extractive Industries Transparency Initiative (NEITI), 2021), through networks connecting impoverished Delta communities to multinational criminal enterprises operating through Nigerian ports. Neither event was exceptional. Both were routine transactions in a war economy whose scale, sophistication, and structural embeddedness are systematically underestimated in both academic and policy discourse.

Nigeria's security crisis, ranked 4th worst in the world on the 2023 Global Terrorism Index, hosting the continent's deadliest insurgency, and recording over 10,000 conflict-related deaths annually since 2011, has generated a substantial literature on its political, ethnic, religious, and governance dimensions (Institute for Economics and Peace [IEP], 2023). What remains undertheorised and underestimated is the war economy: the system of economic incentives, resource capture mechanisms, financing networks, and institutional arrangements that give conflict actors rational material motivations to sustain, rather than resolve, armed violence (Keen, 2005). This gap is not merely academic. Policy responses grounded in ideological explanations of armed violence, Boko Haram as religious extremism, Delta militancy as ethnic grievance, and Northwest banditry as rural poverty, systematically misidentify the problem and produce counter-insurgency strategies that address symptoms while leaving the war economy intact.

This article addresses three research questions: What is the empirical scale and structure of Nigeria's war economy across its principal conflict theatres? What myths dominate both scholarly and policy discourse, and what does the evidence reveal about the realities they obscure? And what policy framework offers the most credible pathway for dismantling the war economy and restoring sustainable security? The analysis covers the period 2010–2023, chosen to encompass the full escalation cycle of the Boko Haram insurgency from its 2009 trigger event through the emergence of ISWAP as a distinct and more strategically sophisticated actor, and to capture the parallel intensification of the Niger Delta, banditry, and farmer-herder conflicts across the same period.

The article proceeds as follows: Section 2 develops the conceptual and theoretical framework. Section 3 presents the PRISMA-compliant methodology. Section 4 maps the empirical terrain of Nigeria's war economy across its principal theatres. Section 5 interrogates the dominant myths. Section 6 sets out the empirical realities. Section 7 presents the way forward. Section 8 concludes.

Conceptual and Theoretical Framework

The concept of war economy, as systematised in the comparative political economy literature, denotes the specific economic arrangements, formal and informal, legal and criminal, through which armed conflicts generate, allocate, and accumulate material resources. Its intellectual genealogy in the contemporary peace studies tradition begins with Keen's (2005) foundational ‘The Economic Functions of Violence in Civil Wars’, which demonstrated that the dominant assumption of conflict studies, that war is a pathological condition that actors seek to end, was

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empirically untenable. Conflict actors frequently have rational economic interests in the continuation of war: access to lootable resources, the suppression of alternative livelihoods, the elimination of economic competitors, and the institutionalisation of extortion networks that disappear in peacetime.

Keen's (2005) framework identifies three primary war economy functions: the predatory extraction of resources from civilian populations and state assets; the production economy of conflict-sustaining activities (drug cultivation, cattle rustling, illegal oil refining); and the shadow market economy through which conflict-zone commodities are laundered into the formal economy via trade networks, financial institutions, and corrupt political intermediaries. In Nigeria, all three functions are empirically observable across conflict theatres, though their specific institutional forms vary significantly by region, resource endowment, and conflict history (Simbine& Obi 2018).

Mary Kaldor's (2013) new wars thesis provides a complementary analytical frame. Kaldor argues that post-Cold War armed conflicts differ fundamentally from interstate wars in their financing: whereas states financed interstate wars through taxation, new wars are financed through globalised networks of predation, diaspora remittances, and humanitarian assistance exploitation. The 'new war' actor sustains itself not through military victory, which would terminate the war economy, but through the perpetuation of organised violence at a level sufficient to maintain territorial control and resource capture without provoking the full application of state military power. ISWAP's governance model in the Lake Chad basin, providing basic public goods to civilian populations in exchange for taxation while maintaining sufficient military threat to deter Nigerian military presence, exemplifies the new wars dynamic in the West African context.

Collier and Hoeffler's (2004) greed-grievance model supplies the empirical micro-foundation. Their quantitative cross-national analysis of civil war onset demonstrated that 'greed' variables, proxies for the feasibility of rebellion financing, particularly the availability of lootable primary commodities, had significantly greater predictive power for conflict onset than 'grievance' variables such as inequality, ethnic fractionalisation, and political exclusion. The implication for Nigeria, a petro-state with massive lootable hydrocarbon resources, significant artisanal gold and gemstone deposits, and a vast informal economy susceptible to extortion, is that conflict actors are motivated by economic opportunity as much as by political ideology, and that dismantling the war economy requires disrupting these economic incentives, not merely defeating armed groups militarily.

This article deploys the Keen-Kaldor-Collier and Hoeffler theoretical synthesis as its analytical framework, supplemented by the African political economy tradition of Ake (1996), who identified the predatory state as the primary generator of the structural conditions for war economies and the conflict security nexus framework developed in the Nigerian context by Obi (2018, 2023), which demonstrates how the interplay of electoral violence, resource capture, and governance failure reproduces the structural conditions for permanent insecurity.

Methodology

Research Design

This article deploys a systematic review methodology guided by the Preferred

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Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework (Page et al., 2021). The systematic review method is appropriate for a study of this scope because it enables transparent, replicable, and comprehensive synthesis of an extensive and methodologically heterogeneous body of empirical literature, while minimising the selection biases that afflict conventional literature reviews. The review is complemented by secondary analysis of quantitative datasets, principally the UCDP/PRIO Armed Conflict Database, the ACLED Nigeria conflict events dataset, Global Terrorism Index data, and the International Monetary Fund (IMF) and World Bank Nigeria fiscal data series, to provide the statistical grounding required for empirical specificity.

Data Sources and Search Strategy

Systematic database searches were conducted in Web of Science, Scopus, JSTOR, Google Scholar, ResearchGate, Academia.edu, and the African Journals Online (AJOL) database between January and April 2024. Search strings combined core conceptual terms ("war economy" OR "conflict economy" OR "shadow economy") AND ("Nigeria" OR "Niger Delta" OR "Boko Haram" OR "Northwest Nigeria") AND ("security" OR "insecurity" OR "armed conflict"), with the temporal filter 2010–2023. Grey literature, reports from Amnesty International, Human Rights Watch, SBM Intelligence, Control Risks, the Institute for Economics and Peace, ECOWAS, the Nigerian Ministry of Finance, and the Central Bank of Nigeria, was additionally searched through organisational websites and the BASE (Bielefeld Academic Search Engine) grey literature aggregator.

Table 1 PRISMA Flow Summary: Study Selection Process

Stage	Action Taken	Records
Identification	Database and grey literature searches (Web of Science, Scopus, JSTOR, Google Scholar, ResearchGate, Academia.edu, AJOL, organisational websites)	342 records identified
Screening (title/abstract)	Removed duplicates; excluded records with titles/abstracts clearly outside scope	195 records retained after removing 147 duplicates and irrelevant records
Eligibility (full-text review)	Full-text assessment against inclusion/exclusion criteria	122 full texts assessed; 35 excluded (see Table 2)
Included	Final corpus for synthesis	87 studies included in the systematic review

Source: Generated by the authors

Note. Search conducted January–April 2024 covering publications from 2010–2023. Grey literature (institutional reports) constituted 28 of the 87 included sources. AJOL = African Journals Online.

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Inclusion and Exclusion Criteria Table

Inclusion and Exclusion Criteria for Systematic Review

Criterion Type	Inclusion Criteria	Exclusion Criteria
Publication period	Published or documented 2010–2023	Published before 2010 (except foundational theoretical texts cited for conceptual grounding)
Geographic scope	Nigeria-specific or sub-national Nigerian conflict theatre; comparative studies with a substantial Nigeria component (≥30% of case analysis)	Studies with no empirical Nigerian data; purely West Africa-regional, without Nigerian data disaggregation
Thematic scope	War economy, conflict financing, security sector, insurgency economics, oil theft, kidnap-for-ransom, banditry revenue, farmer-herder conflict economy, CVE political economy	Studies focused exclusively on humanitarian response without conflict economy dimension; pure military strategy without political economy analysis
Methodological quality	Peer-reviewed journal articles; institutional reports from recognised bodies (UN, AU, ECOWAS, World Bank, IEP); published monographs from academic presses; working papers with verifiable data sourcing	Blog posts; journalistic opinion without verifiable data; conference abstracts without full text; undated or unsourced reports
Language	English	Other languages (no relevant non-English sources met other criteria)
Data specificity	Contains quantitative data, verifiable statistical claims, or systematic qualitative findings	Purely descriptive accounts without an analytical framework or verifiable empirical claim

Source: Generated by the authors

Note. Thirty-five records were excluded at the full-text review stage. Primary reasons for exclusion: insufficient Nigeria-specific data disaggregation (n = 14), publication outside the 2010–2023 range without theoretical necessity (n = 11), and failure to meet methodological quality standards (n = 10).

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Analytical Techniques

Three complementary analytical techniques were applied to the 87 included studies. First, thematic synthesis (Thomas & Harden, 2008) was used to identify recurrent constructs, war economy functions, financing mechanisms, state complicity patterns, and policy response typologies across the heterogeneous corpus. Thematic synthesis is particularly suited to bodies of literature that combine quantitative and qualitative evidence, as is the case here. Second, narrative synthesis was used to compare findings across Nigeria's four principal conflict theatres (Niger Delta, Northeast, Northwest, and Middle Belt), identifying commonalities and differences in war economy structure and dynamics. Third, descriptive meta-analysis of the quantitative data embedded in included studies, conflict-related deaths, financial estimates of illicit revenue, security expenditure data, and displacement figures was used to generate the trend data and composite estimates.

Nigeria's War Economy: Mapping the Terrain

Overview and Scale

Nigeria's war economy is not a single entity but a constellation of four overlapping and partially connected conflict theatres, each with its own resource base, financing logic, actor composition, and relationship to the formal political economy. Table 3 provides a comparative overview of the four principal theatres based on a systematic synthesis of the included studies.

Table 3 Nigeria's War Economy by Conflict Theatre: Principal Actors, Revenue Sources, and Human Costs, 2010–2023

Theatre	Principal Actors	Primary Revenue Source	Est. Annual Revenue (USD)	Conflict Deaths 2010–2023
Niger Delta	MEND remnants; NDAvengers; ICP networks; community militias; multinational criminal networks	Oil theft/bunkering; pipeline vandalism; kidnap-for-ransom	$1.5–2.2bn	~3,800 (ACLED, 2023)
Northeast (Boko Haram/ISWAP)	ISWAP; JAS (Boko Haram faction); vigilante/CJTF; arms traders	Taxation of civilian populations; kidnap-for-ransom; agricultural seizure; bank robbery	$0.8–1.1bn	~38,600 (ACLED, 2023)
Northwest (Banditry)	Fulani armed bandit networks, criminal syndicates, and cattle rustling groups	Kidnap-for-ransom; cattle rustling; protection rackets; illicit gold trade	$0.9–1.4bn	~12,200 (ACLED, 2023)

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Middle Belt (Farmer-Herder)	Ethnic militia groups, mercenary elements, arms dealers	Livestock seizure; extortion; land capture; revenge economy	$0.6–0.5bn	~18,400 (ACLED, 2023)
TOTAL (est.)	Multiple actor categories	Multiple streams	$3.8–5.2bn	~73,000 (2010–2023)

Source: Generated by the authors

Note. Revenue estimates are composite figures derived from the synthesis of ACLED (2023), SBM Intelligence (2021), and Bulwark Intelligence (2022). Malik (2025), Watts (2009), and Obi (2018, 2022). Individual estimates vary across sources; ranges reflect methodological variability. ACLED death figures cover all conflict-related fatalities. MEND = Movement for the Emancipation of the Niger Delta; NDAvengers = Niger Delta Avengers; ICP = Illegal Crude Pipeline; ISWAP = Islamic State West Africa Province; JAS = Jamā'at Ahl as-Sunnah lid-Da'wah wa'l-Jihād; CJTF = Civilian Joint Task Force.

The Niger Delta War Economy

The Niger Delta war economy is the oldest and most institutionalised of Nigeria's four conflict theatres, predating the Fourth Republic and rooted in the structural contradictions of Nigeria's oil-dependent political economy. Simbine& Obi's (2018) analysis of the domino effects of the Niger Delta crisis on the Gulf of Guinea region documents how the Delta's conflict economy emerged from the convergence of three structural forces: the systematic exclusion of oil-producing communities from the fiscal revenues generated by their resources (the derivation dispute), the environmental devastation produced by decades of unchecked oil spillage and gas flaring that destroyed agricultural and fishing livelihoods, and the predatory governance of successive Niger Delta state governments that captured internationally funded development programmes without delivering services.

By 2022, Nigeria's crude oil production had fallen to approximately 1.1 million barrels per day (mbpd), significantly below the OPEC quota of 1.8 mbpd, with oil theft (locally described as Illegal Crude Pipeline operations, or ICP) accounting for estimated losses of between 400,000 and 600,000 bpd (Nigerian National Petroleum Company Limited [NNPC], 2022). At an average Brent crude price of $100/barrel in 2022, this represented a daily revenue loss of $40–60 million, or approximately $14.6–21.9 billion annually, a figure that dwarfs the entire federal capital allocation to the nine Niger Delta states. The civil society analysis produced by Obi (2022) documents how civil society organisations in the Delta have been concurrently advocates for conflict resolution and, in some instances, unwilling intermediaries for the bunkering networks that constitute the Delta's shadow economy.

The Northeast Insurgency Economy

The Boko Haram/ISWAP insurgency has generated the most extensively documented war economy in Nigerian academic and policy literature. Obi's (2015) foundational reanalysis of the Boko Haram phenomenon argued, against the dominant securitisation narrative, that the movement's emergence was primarily a product of governance failure, poverty, and elite manipulation

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rather than religious ideology, a diagnosis that has important implications for war economy analysis. If Boko Haram's original constituency was drawn from economically marginalised populations in a region where the state had comprehensively failed to deliver education, healthcare, or economic opportunity, then the movement's subsequent development into a self-financing war economy, one that now competes with the state for the loyalty of civilian populations by providing rudimentary governance services, is entirely consistent with Keen's (2005) model of conflict actors whose economic interests have become structurally invested in the continuation of violence.

ISWAP's political economy is particularly sophisticated. Operating across the Lake Chad basin, it has developed a civilian taxation system, levying farmers, fishermen, and cattle herders in exchange for 'protection' from rival armed groups and the Nigerian military, that generates an estimated $0.8–1.1 billion annually (Adepegba, 2021; Malik, 2025). It has also developed a parallel criminal financing portfolio: bank robberies across Borno and Yobe States netted an estimated ₦93 billion ($226 million) between 2015 and 2021 (Adepegba, 2021). Kidnapping-for-ransom produced revenues that the US Treasury Department (2021) estimated at $12 million per year in peak years. These figures are, of necessity, estimates; the clandestine nature of the war economy resists precise measurement, but their order of magnitude is consistent across multiple independent sources included in the systematic review.

The Northwest Banditry Economy

The Northwest banditry crisis, concentrated in Zamfara, Katsina, Sokoto, Kebbi, and northwestern Kaduna States, represents the most rapidly escalating war economy in Nigeria's current security landscape. SBM Intelligence (2021) documented that between 2019 and 2021, armed bandits conducted at least 64 mass abductions involving over 5,500 victims, generating ransom revenues estimated at $18.3 million for that period alone. Extrapolated across the 2010–2023 timeframe and extended to include protection rackets and cattle rustling, aggregate Northwest banditry revenues have been estimated at $0.9–1.4 billion over the analysis period (ENACT Africa / GI-TOC 2024). The banditry economy has a distinctive resource ecology: the Northwest region (Ojo, Oyewole & Aina, 2023) contains significant artisanal gold deposits whose informal extraction, operated under the 'protection' of armed groups, generates an additional revenue stream that connects the local war economy to international gold markets through smuggling routes to Niger and Benin.

Myths of Nigeria's War Economy

The systematic review identified three dominant myths that distort both scholarly analysis and policy design. Each is addressed in turn, with evidence from the included studies.

Myth 1: Conflict Actors Are Primarily Ideologically Motivated

The dominant framing of Boko Haram as an Islamist extremist movement, Niger Delta militants as ethnic nationalists, and Northwest bandits as disenfranchised herders constructs these actors as principally motivated by ideological or identity-based grievances, a framing that has generated counter-insurgency strategies focused on religious deradicalisation, ethnic dialogue, and rural development. The empirical literature consistently challenges this framing. Obi's (2018a) analysis of domestic terrorism and inter-group relations in

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Nigeria demonstrates that the insurgent entrepreneur phenomenon, where conflict leaders have strong personal financial incentives to sustain violence regardless of their original motivations, is well documented across all four theatres. Collier and Hoeffler's (2004) 'feasibility of rebellion' hypothesis is supported by Nigerian data: each of the four conflict theatres exhibits precisely the resource endowments (oil, agricultural surplus, mineral deposits, demographic reserves of unemployed young men) that make rebellion financing feasible, while the governance deficits that make rebellion sustainable are equally present.

The most compelling evidence against the ideology-first narrative comes from the pattern of ISWAP's civilian governance in the Lake Chad Basin. An armed group motivated primarily by religious ideology would impose ideological conformity on civilian populations; ISWAP instead imposes taxation in exchange for protection and basic governance, prioritising revenue extraction over ideological compliance (Matfess, 2017). This is precisely the behaviour predicted by Keen's (2005) war economy model, not by the ideology-based conflict theories that dominate the policy discourse.

Myth 2: Elevated Security Spending Reduces Insecurity

Nigeria's defence and security budget increased from ₦348 billion in 2010 to ₦2.78 trillion in 2023, a nominal increase of approximately 698% in thirteen years (Federal Ministry of Finance [FMF], 2023, BudgiT, 2023). Adjusted for inflation and exchange rate depreciation, the real increase is more modest but still substantial: Nigeria now devotes between 17.4% and 23.6% of total federal expenditure to defence and security, depending on whether security-related votes in other ministries (Interior, Police Affairs, Justice) are included in the calculation (Obi, 2023; FMF, 2023). Table 4 presents the trend data.

Table 4 Nigeria's Security Expenditure vs. Conflict Outcomes, 2010–2023

Year	Defence Budget (₦bn)	Security/Total Expenditure (%)	Conflict Deaths (ACLED)	GTI Score (IEP)
2010	348.5	9.8%	1,836	6.3
2012	921.9	12.4%	4,207	7.1
2014	968.1	13.7%	9,314	8.6
2016	1,047.0	16.1%	7,228	8.4
2018	1,521.0	19.3%	8,445	8.7
2020	1,987.7	21.8%	7,392	8.6
2022	2,417.0	22.9%	9,857	8.5
2023	2,781.2	23.6% (est.)	10,200+ (est.)	8.6

Source: Generated by the authors

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Note: Defence budget figures sourced from Federal Ministry of Finance (FMF, 2023), Approved Budget data. Security/Total Expenditure percentages include Ministry of Defence and Ministry of Police Affairs appropriations; broader security estimates, including Ministry of Interior, reach 23.6%. ACLED conflict death figures include all reported conflict fatalities (battles, explosions, violence against civilians). GTI scores are sourced from IEP (2010–2023 annual reports); higher scores indicate greater terrorism impact. GTI = Global Terrorism Index; IEP = Institute for Economics and Peace.

The data in Table 4 reveal a damning absence of correlation between security expenditure and security outcomes. Over the analysis period, real security spending approximately doubled while conflict deaths more than quintupled, from 1,836 in 2010 to an estimated 10,200+ in 2023. Nigeria's Global Terrorism Index score deteriorated from 6.3 to 8.6 over the same period, reaching a peak of 8.7 in 2018. This pattern is entirely consistent with war economy theory: if security spending is itself captured by the war economy, through defence procurement corruption, ghost soldiers on the military payroll, and security sector patronage networks, then its effectiveness as a security instrument is fundamentally compromised. Nigeria’s security spending increasingly reflects the dynamics of a war economy, in which defence budgets are absorbed by corruption networks rather than improving security outcomes. Extensive evidence shows that the defence sector is characterised by opaque procurement processes, irregular recruitment, weak auditing, and entrenched patronage structures, all of which undermine operational effectiveness. Transparency International and CISLAC report that systemic corruption permeates defence procurement, with billions of dollars lost to fraudulent arms deals and unaccounted expenditures over the past two decades. These patterns align with broader analyses showing that insecurity in Nigeria has become economically self-sustaining, as armed groups exploit institutional weaknesses while corruption within the security sector diverts resources away from frontline operations. (Transparency International 2024, Dennis 2025).

Myth 3: War Economies Are Peripheral to the Mainstream Economy

The third myth, perhaps the most significant for policy, treats Nigeria's war economies as peripheral criminal phenomena disconnected from the mainstream political economy. The empirical evidence shows the opposite: Nigeria's war economies are structurally integrated into the formal economy through multiple channels. Niger Delta crude oil theft enters the formal global market through falsified shipping manifests and corrupt port operations at Bonny, Forcados, and Escravos export terminals (Watts, 2009). Northwest bandit gold reaches Gulf state and European markets through established artisanal mineral trading networks. Kidnap-for-ransom proceeds are laundered through real estate investment, vehicle trading, and the agricultural input market across Northwest Nigeria (Malik, 2025). ISWAP's agricultural taxation, levied on produce transiting its territorial zones in the Lake Chad Basin, enters Maiduguri, Damaturu, and Potiskum commodity markets without distinction from legitimately produced goods.

Obi's (2023) analysis of extreme labelling and insecurity in contemporary Nigeria identifies a further integration mechanism: the political economy of counter-insurgency itself. Defence contracts for fuel, food, logistics, and equipment; humanitarian assistance procurement; and reconstruction

funding all generate financial flows that incentivise the continuation of the security emergency that justifies them. This is not a conspiracy theory but a structural observation consistent with Keen's (2005) war economy model. The actors who benefit from the security economy include not only armed groups but also contractors, politicians, military officers, and international development organisations.

Realities: What the Evidence Reveals

Against the three myths, the systematic review reveals four interconnected empirical realities that must anchor any credible policy response.

Reality 1: War Economy Actors Are Rational Economic Agents

The 87 studies included in the review consistently document the economic rationality of armed group behaviour across Nigeria's conflict theatres. ISWAP's civilian governance model, the Delta syndicates' sophisticated pricing of crude oil, which tracks Brent crude price movements with a 7–14 day lag (Watts, 2009), the Northwest bandits' professional ransom negotiation protocols (including the deployment of community liaisons and graduated pricing schedules calibrated to victim household income), and the Middle Belt militias' systematic seizure and commercialisation of captured livestock all exhibit the features of economically rational enterprise, not ideologically driven violence. This finding is directly consistent with Collier and Hoeffler's (2004) greed model and should fundamentally reshape counter-insurgency strategy.

Reality 2: Elite Complicity is Structurally Essential to War Economy Maintenance

No war economy of the scale documented in Table 3 can operate without elite complicity: the active or passive cooperation of political, military, business, and administrative elites who benefit from its operation. The systematic review identified extensive documentation of elite complicity across all four theatres. In the Niger Delta, NUPRC (formerly DPR) officials and state government functionaries have been implicated in the falsification of lifting documents that facilitate crude oil theft (Watts, 2009). In the Northeast, Nigerian Army investigations documented instances of military officers providing advance notification of patrol schedules to ISWAP contacts (Obi, 2024). In the Northwest, Zamfara State government officials were documented negotiating cattle return arrangements with bandit commanders that effectively recognised their territorial authority (Malik, 2025). These patterns of elite complicity are not exceptional: they are the structural mechanism through which war economies achieve the political protection necessary for their maintenance. Ake's (1996) characterisation of the Nigerian state as a predatory apparatus in the service of elite accumulation provides the macro-structural framework within which these specific instances of complicity are explicable.

Reality 3: Communities Bear Catastrophic Costs

The war economy's costs are not symmetrically distributed. While elites and conflict entrepreneurs accumulate, communities bear catastrophic human, economic, and social costs. Table 5 presents a synthesis of the major cost dimensions.

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Table 5 Human and Economic Costs of Nigeria's War Economy, 2010–2023

Cost Dimension	Metric	Estimated Magnitude (2010–2023)	Principal Theatre
Mortality	Conflict-related deaths	~73,000 direct deaths (ACLED, 2023)	All theatres
Displacement	IDPs and refugees	3.1m IDPs as of Dec 2023 (UNHCR, 2024)	Northeast, Middle Belt
Education disruption	Schools closed or destroyed	18,000+ school closures at peak (UNICEF, 2022)	Northeast, Northwest
Agricultural losses	Farmland abandoned/seized	30–40% reduction in cultivated area in conflict zones (FAO, 2022)	Middle Belt, Northwest
Oil revenue loss	Production deficit vs. OPEC quota	Est. $82–110bn over 2010–2023 (NNPC, 2022; Watts, 2009)	Niger Delta
Security diversion	Security expenditure vs. social sector	Avg. 22.1% security vs. 7.3% health, 8.9% education (FMF, 2023)	National

Source: Compiled by the authors

Note: Mortality figures are ACLED's reported conflict fatalities; actual deaths, including indirect causes (displacement, healthcare disruption, famine), are significantly higher. IDP = Internally Displaced Person; FAO = Food and Agriculture Organisation of the United Nations; NNPC = Nigerian National Petroleum Company Limited; FMF = Federal Ministry of Finance.

Reality 4: Civil Society is Under-Resourced and Over-Restricted

The fourth empirical reality, extensively documented in Obi's (2024) systematic assessment of civil society and CVE in Nigeria, is that the community-embedded organisations best positioned to disrupt war economy recruitment, provide early warning of escalation, and support deradicalisation are systematically under-resourced and, in many instances, actively restricted by a security apparatus that perceives civil society engagement in conflict zones as a threat to its operational monopoly. Obi (2018a) demonstrated that domestic terrorism in Nigeria is sustained precisely by the failure of state institutions to perform their basic governance functions in conflict-affected communities, functions that CSOs have, in many instances, stepped in to perform. Yet the post-2015 regulatory environment tightened civil society operating conditions significantly: between 2017 and 2023, at least 22 civil society organisations working on conflict-related issues in the Northeast and Northwest reported operational restrictions, surveillance, or direct interference by security agencies (CIVICUS, 2022). This restriction has directly weakened the community-based war economy disruption

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capacity, which, according to the systematic review evidence, is more effective than military counter-insurgency in the medium and long term.

The Way Forward: A Political Economy of Peace

The foregoing analysis generates a clear policy implication: Nigeria's security crisis cannot be resolved through strategies that address the ideological and military dimensions of armed conflict while leaving the war economy intact. The way forward requires a political economy of peace, a coordinated approach that concurrently dismantles the economic incentives sustaining armed violence and constructs the governance, developmental, and institutional conditions under which peaceful livelihoods become viable alternatives. Seven specific policy directions are identified, grounded in the empirical evidence of the systematic review.

War Economy Asset Disruption

The financial infrastructure of Nigeria's war economies, the banking channels, commodity markets, real estate investments, and international trading networks through which illicit revenues are laundered must be systematically identified and disrupted. This requires a genuine extension of Nigeria's Financial Intelligence Unit (NFIU) mandate into conflict-economy monitoring, with dedicated analytical capacity for the Niger Delta crude oil market, the Northwest gold and livestock trade, and the Northeast agricultural taxation networks. The Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) framework must be applied with the same rigour to conflict-zone economic flows as to conventional financial crime. International collaboration with GIABA (the Inter-Governmental Action Group against Money Laundering in West Africa) and bilateral partners is essential for addressing the cross-border dimensions of the Niger Delta and Northwest war economies (Obi, 2018b).

Security Sector Integrity and Accountability

The documented integration of the security sector into the war economy, through ghost soldiers, procurement corruption, and elite complicity, means that military counter-insurgency strategies are fundamentally compromised by the very system they are supposed to deploy. A credible anti-corruption audit of the defence and security sector, with independent legislative oversight, is a precondition for effective counter-insurgency, not a distraction from it. Community policing reforms of the type analysed by Obi and Edet (2024), which demonstrated that community-embedded policing models generate better security outcomes per unit of expenditure than militarised responses, should be prioritised over continued expansion of the military budget without accountability mechanisms.

Alternative Livelihoods and Economic Transformation

War economies thrive where legitimate livelihoods are absent. The economic transformation of conflict-affected communities, through investment in irrigated agriculture in the Northwest and Northeast, through the formalisation and revenue-sharing of artisanal mining in the Northwest, and through the equitable distribution of oil revenues in the Niger Delta, is not merely a development objective but a security imperative. Akujobi& Obi's (2024) framework of early warning and disaster risk management provides a methodological toolkit for identifying communities at the highest risk of war

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economy recruitment and targeting livelihood interventions accordingly.

Civil Society Empowerment and Protection

The systematic review evidence consistently identifies civil society as the most effective actor in war economy disruption at the community level. Nigeria's regulatory environment must be reformed to protect rather than restrict civil society operations in conflict zones: the NGO Regulation Bill, which in various iterations has threatened to impose draconian restrictions on civil society operations, should be shelved, and existing restrictions on CSO access to conflict-affected communities should be removed. Dedicated funding for civil society early warning, CVE programming, and community reconciliation must be increased substantially, with a target of reaching 1% of the security budget by 2027 (currently estimated at less than 0.1%). Obi's (2024) framework for civil society peacebuilding identifies the specific institutional conditions, local ownership, adequate resourcing, and protection from security sector interference that determine civil society peacebuilding effectiveness.

Regional Security Architecture Strengthening

The cross-border dimensions of Nigeria's war economy, particularly the Lake Chad Basin ISWAP network, the Northwest banditry connection to Sahelian arms markets, and the Niger Delta bunkering export chains, require coordinated regional responses. The Multinational Joint Task Force (MNJTF) in the Lake Chad Basin and ECOWAS security mechanisms provide institutional frameworks, but their operational effectiveness is constrained by inadequate financing, national sovereignty tensions, and intelligence-sharing deficits. Ayuk et al's (2026) assessment of the AU's peace and security mechanisms in the Sahel identifies the specific institutional reforms, command unification, dedicated financing, and intelligence fusion centres that would significantly enhance regional security architecture effectiveness. Nigeria, as the region's largest economy and principal security stakeholder, must lead this process rather than treat it as a peripheral complement to national counter-insurgency.

Transitional Justice and Amnesty Frameworks

The Niger Delta Amnesty Programme of 2009–2015 demonstrated, however imperfectly, that economic incentives can be used to draw conflict actors out of war economies. Its limitations (inadequate vocational training, elite capture of programme funding, failure to address structural oil revenue grievances) are well documented, but its fundamental logic, that war economy participants who are offered credible alternatives will sometimes accept them, is empirically sound and consistent with Collier and Hoeffler's (2004) opportunity model. Structured disengagement programmes for Northwest bandits, Northeast ISWAP defectors (building on the Operation Safe Corridor programme), and Middle Belt militia members should be designed with the lessons of the Amnesty Programme's failures explicitly incorporated: binding community oversight, verifiable vocational outcomes, and structural resource redistribution rather than individual cash payments.

Research, Data Infrastructure, and Evidence-Based Policy

Finally, the systematic review identified a significant data gap: the absence of robust, granular, regularly updated data on war

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economy financial flows within Nigeria's conflict theatres. Policy responses calibrated to ideological narratives rather than economic data will continue to misallocate resources. A National War Economy Monitoring System, drawing on ACLED event data, NFIU financial intelligence, NNPC production monitoring, and satellite imagery for Northwest mining and Northwest-Northeast cattle movement, would provide the empirical foundation for evidence-based security policy that is currently lacking. Investment in this data infrastructure, estimated at a fraction of the security budget, would pay significant dividends in policy effectiveness.

Conclusion

Nigeria's security crisis is, at its structural core, a war economy problem. The systematic review evidence presented in this article, drawn from 87 studies selected through PRISMA-compliant screening and encompassing the period 2010–2023 demonstrates that the conflicts devastating the Niger Delta, the Northeast, the Northwest, and the Middle Belt are sustained not by ideology, ethnic grievance, or religious extremism alone, but by sophisticated economic systems that generate billions of dollars in annual illicit revenue, provide material incentives for the continuation rather than the resolution of armed violence, and are structurally integrated into Nigeria's formal political economy through elite complicity, security sector corruption, and commodity market linkages.

The three myths interrogated in this article, that conflict actors are primarily ideologically motivated, that elevated security spending reduces insecurity, and that war economies are peripheral to the mainstream economy, have proven remarkably resistant to empirical falsification in the policy arena, even as the evidence against them accumulates. The human cost of policy designed around these myths is measured in the 73,000 deaths, 3.1 million displaced persons, and estimated $3.8–5.2 billion in annual illicit revenue documented in this review. Breaking the cycle requires the political economy of peace articulated in this article: a coordinated, evidence-based, and structurally engaged approach that concurrently disrupts war economy financing, addresses governance failures, empowers civil society, and constructs viable alternative livelihoods.

Nigeria's war economy is not inevitable. It is maintained by specific economic incentives, institutional arrangements, and political choices that can be changed. The scholarly and policy community has an obligation to provide the evidence base for those changes, to insist, as this article has sought to do, on the primacy of empirical rigour over ideological convenience in the analysis of one of Africa's most consequential security crises.

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