



Accounting Implications of Cost Involvement in Peace-keeping on the Economic Growth of Nigeria: The Case of Niger-Delta

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Abstract: The study on accounting implications of cost involvement in peacekeeping on the economic growth of Nigeria; the case of militancy in the Niger-delta region was designed to ascertain the extent of cost involvement by government in peace-keeping and its implications on the economy. For this purpose, secondary data were obtained from the Central Bank of Nigeria (CBN) statistical bulletin and Nigerian National Petroleum Corporation (NNPC) statistical bulletin of 2014 for the relevant variables. The longitudinal research design was adopted in shaping the investigation. The regression model was employed to express the causal relationship between the dependent and the explanatory variables, and the Pearson Product Moment Correlation Analysis was used to determine the strength and direction of the relationship. The hypotheses were tested at five percent level of significance using the Student t-test. The result showed the following: the cost of peacekeeping significantly affects the growth of the economy; the cost of peacekeeping significantly affects the recurrent expenditure of government; Oil revenue does not significantly contribute to the economic growth of Nigeria; and losses from vandalized Oil pipelines does not significantly affect Oil output. However, it was recommended that more attention should be paid to the plight of the people of the Niger-delta region in order to completely discourage the use of militancy as a tool for seeking redress.

Keywords: Cost of Peace-Keeping, Recurrent Expenditure, Cost Involvement, Accounting Implications, Economic Growth, Niger-Delta, GDP

1. Introduction

Governments all over the world set structures that enable their economy to either grow or be sustained, while also paying attention to the maintenance of peace and order, as well as ensuring the security of lives and property. Nigeria as a growing economy is not left out, as it remains resolute in its drive to being numbered amongst the leading economies in the world. Interestingly, Nigeria was ranked as the largest economy in Africa and twentieth in the world in terms of Gross Domestic Product (GDP) prior to May, 2015. Currently, maintaining this amiable position has remained a thing of concern to all well-meaning Nigerians, especially with the current drastic fall in the price of crude oil in the

international market and the persistent depreciation in the value of the Naira. Although the depreciation in the value of the Naira could have some economic benefits if it is geared toward encouraging investors to invest more in the economy, but the fact remains that there are challenges that must be addressed, such as the activities of insurgency and militancy, because no investor will want to invest in an economy where the external environment is full of uncertainties and insecurity. Meanwhile, government in its bid to address these issues earmarks some substantial amount of money annually, in that it requires a worthy portion of a country's resources to tackle such social vices. However, prior to 1993, there was

no such provision for peacekeeping until the emergence of militancy in the Niger-delta region. Moreover, statistics has however shown that the federal government's recurrent expenditure increases substantially, following the measures put in place by government to ensure the maintenance of peace in the Niger-delta region [2]. But the question remains, how can we, as a country sustain our economy amidst such challenges, considering the large sum of money that is involved, even when it is obvious that peacekeeping remains a veritable tool for restoring peace in conflict prone areas.

Government, like a typical financial manager is faced with the challenge of anticipation, acquisition and allocation of economic (scarce) resources. This however brings to the fore the need to effectively assign cost to areas that will have a plough back effect on the economy, considering the present state of the economy, which has also made it imperative for government to consider the need of diversifying the economy from a mono-cultural economy to a multi-product economy; by investing more in the real sector of the economy. This also calls for an evaluation necessary to control, reduce and reallocate costs where necessary in order to sustain and grow her economy in a bid to balancing its income (which is already been affected by the drastic fall in the price of crude oil and the depreciation in the value of the Naira) with its expenditure. Hence, it is therefore expedient to consider the extent and implication of cost involvement in peace-keeping by government. It is against this backdrop that this study sought to consider the implication of cost involvement in peace-keeping effort by the government on the economic growth of Nigeria using the case of the Niger-delta militancy.

The Niger-delta region consists of the main Oil-producing states in Nigeria: Akwa Ibom, Bayelsa, Cross River, Delta, Edo and Rivers. Abia and Imo states in the south-east and Ondo state in the south-west geopolitical zone [3]. The region has a population of about 32 million, that is about 22% of the estimated total population of the country; and the Oil extracted from the region contributed about 95% of the country's foreign earnings and over 80% of the federal government revenue. Moreover, about 60% of the people in Niger-delta are mainly farmers and fishermen due to their location, but with the discovery and exploration of black gold, these have suffered some setbacks as a result of Oil spillage and other environmental pollution. The region is also identified with high rate of poverty and unemployment [6]. According to Ibaba in [2], the people in the region live without most of the basic amenities, and with a provocative poverty rate of about 80% and an unemployment rate of about 70%. Hence [6], points out that the high unemployment rate among the youth was responsible for the high level criminality and violence prevalent in the region. Moreover, cases of social vices such as pipelines vandalism, Oil theft and kidnapping have been identified among the youth. Despite all of these, successive governments prior to 1999 paid no attention to this; rather they focused on a continued reduction of the allocation due to the states in the region [10].

2. Conceptual and Theoretical Framework

Peace according to [9] involves activities geared toward increasing stability, development and growth, while reducing social conflict to its barest minimum. Peace could be considered as the absence of conflicts, disputes, violence and rancor. However, peace could be considered as being relative, because what could be described as peace within a particular society may differ from that of another. Conversely, conflict is the absence of peace. Moreover, [5] broadly defined conflict along a continuum, from low-level tensions to more serious situations involving violence or a total break-down, and that conflicts with local communities often has the tendency of resulting in serious cost to companies situated within and around such communities, the communities themselves, governments and the society at large. However, the most substantial costs to companies are associated with shut-downs, disruption of operations and loss of opportunity. Meanwhile, an effective peacekeeping effort has the tendency to reduce the risk of conflict, as well as resolve cases of conflicts – in that peacekeeping have become a veritable tool for resolving disputes and enthroning peaceful conditions [8]. However, [12] avers that peace accounting is necessary in estimating the cost of enthroning peace, as they considered peace accounting to be a logical recording and the determination of cost involved in peacekeeping in order to evaluate its implication on the economic growth of Nigeria.

Moreover, [1] sees cost as a resource forfeited to accomplish a specific objective, and that it is typically measured in monetary unit. According to him, the determination of whether costs have an inverse or a direct relationship to a particular cost objective is an important issue to be considered in the allocation of costs. Furthermore, [5] examined the cost of conflict with local communities in the extractive industry, and reports that extractive companies potential costs can arise at different stages of a project's life cycle and that failure to avoid, mitigate or resolve conflict with local communities at an early stage will normally have a negative effect on the tangible and intangible assets of the company. [2], in their study on the effect of militancy and unrest or peace accounting on productivity of private organizations in Nigeria found out that the cost of peace keeping in the Niger-delta region of Nigeria has a significant negative impact on the productivity of firms in Nigeria, and recommended that in order for the economy of Nigeria to be developed, the cost of enthroning peace should be eliminated by making provision for higher level of basic social amenities and infrastructure to the Niger-delta people. Moreover, [12] carried out a study on accounting for peace and economic development in Nigeria; the Niger-delta case. The study revealed that the cost of peace keeping has a significant negative impact on the economy of Nigeria.

From our review of previous works relating to the subject matter, no mention was made about the strength or degree of

linear association between the dependent and the independent variables, thereby creating a gap which this study intends to fill. However, though there are several factors that could either have positive or negative impact on the economy at any point in time; this study sought to consider *ceteris paribus* the cost implications of government expenditure on peacekeeping effort on the growth of the economy, as well as the effect of militancy on the economy.

2.1. Marxist Political Approach – Marx and Engels, 1977

This approach looks at the connection between class conflict and the correlation between the economy and politics; it enunciates the relationship between the input of a man and the benefits derivable from his output. According to Marx and Engels in [2], class struggle is a common experience in the history of any society that ever existed. Marxist avers that when such groups in class struggle – that is the one that is marginalized or exploited become aware of the stress they bear in order to maximize their potentials and opportunities; they do anything possible to ensure that there is a turn around to their own advantage. It could therefore be deduced that the activities of the militants in the Niger-delta region is in recognition of the fact that they came to a realization of being marginalized and exploited, and the only way to either seek redress or to be heard was to engage in such activities. On the other hand, the theory can be used to support the idea relating to the extent of benefits derivable from the input made by government in terms of provision of basic social amenities and infrastructure.

2.2. Ury, Brett and Goldberg's Theory, 1993

The theory considered the need to design a system to reduce the cost of preventing, managing and settling of disputes. Methods such as: power-based methods, right-based methods and interest-based methods were propounded by them as measures of getting disputes resolved. According to them, the power-based method of resolving conflicts is where the disputants seek to resolve disputes by means of force or coercion. The right-based method is where parties in dispute seek resolution by means of rules, principles and rights – such as laid down collective agreement or a legislation concerning rights, while the interest-based method is where parties in dispute seek to recognize and accommodate each other's needs and interest by means of joint problem solving and related techniques. It involves approaches or practices such as facilitation, mediation and joint problem solving initiatives. They identified that the interest-based method was the less cost-effective means of resolving disputes – in that it has the tendency of tackling more of the plight of the parties in conflict than other methods. They also identified that the interest-based methods may not always be holistic or absolute in terms of effectively addressing issues of conflict; that in order to always have an effective system of dispute resolution that provides a low-cost, the interest-based method should be supported by a right-based method.

3. Research Methodology

For the purpose of this study, secondary data were collected from the Central Bank of Nigeria (CBN) statistical bulletin and the Nigerian National Petroleum Corporation (NNPC) statistical bulletin of 2014 for the relevant variables, and the longitudinal survey design was employed, precisely, trend research design in structuring the investigation – in that the study considered time as a very important factor in the determination of the relationship, implication and extent of cost involvement by government in peace-keeping on the economy of Nigeria. Specifically, the study was conducted and directed at different samples of the same population at various point in time, which spans between year 2005 and 2014. Moreover, in order to determine the extent and implications of cost involvement in peace-keeping on the growth of the economy; in other words, how cost involvement in peace-keeping will affect the economy, the regression model was adopted to express how a change in the explanatory variable (cost involvement in peace-keeping) will influence the dependent variable (economic growth). The functional relationship between the variables could be expressed as thus:

$$d = f(p) \quad (1)$$

where d = dependent variable
p = explanatory variable

For the purpose of this study, the researchers considered a bivariate analysis to evaluate the relationship between the dependent variables and the explanatory variables, which is expressed as thus:

$$D = a_0 + b_1p_1 + E^2 \quad (2)$$

where d = dependent variable
a₀ = intercept
b₁ = slope coefficient
p₁ = explanatory variable
E² = standard error

Consequently, as a similitude to the concept of elasticity, which explains the degree of responsiveness of a dependent variable (d) to a force exerted by an explanatory variable (p) given a causal relationship between the two variables, such that d is dependent on p; the Pearson's Product-Moment Correlation Analysis was employed to determine the strength and direction of the relationship between the dependent and explanatory variables. This is given as thus:

$$r_{xy} = \frac{n\sum XY - \sum X \sum Y}{\sqrt{n\sum X^2 - (\sum X)^2 \cdot n\sum Y^2 - \sum Y^2}} \quad (3)$$

The estimation was conducted at ninety-five percent confidence interval; in other words, the significance of the study was tested at five percent level of significance, indicating five percent estimation error.

Priori criterion

Reject Null hypothesis if computed value (t_c) is greater than table value (t_{0.05}) at 8 degree of freedom (d.f).

Table 1. Cost of peacekeeping and GDP between 2005 and 2014.

Year	N Billions Cost of peace keeping	N Billions GDP
2005	82.00	14,735.32
2006	118.00	18,709.79
2007	181.00	20,940.91
2008	197.00	24,665.24
2009	222.00	25,236.06
2010	224.00	34,494.58
2011	280.00	38,016.97
2012	363.00	41,177.82
2013	293.00	42,396.77
2014	328.00	67,152.79
Σ	2,288.00	327,526.25

Source: CBN Annual Statistical Bulletin, 2014

Table 2. Cost of peacekeeping and government recurrent expenditure between 2005 and 2014.

Year	N Billions Cost of peace keeping	N Billions Recurrent expenditure
2005	82.00	1,224.00
2006	118.00	1,290.00
2007	181.00	1,589.00
2008	197.00	2,117.00
2009	222.00	2,128.00
2010	224.00	3,109.00
2011	280.00	3,315.00
2012	363.00	3,325.00
2013	293.00	3,689.00
2014	328.00	3,418.00
Σ	2,288.00	25,204.00

Source: CBN Annual Statistical Bulletin, 2014

Table 3. Oil revenue and GDP between 2005 and 2014.

Year	N Billions Oil Revenue	N Billions GDP
2005	4,762.40	14,735.32
2006	5,287.57	18,709.79
2007	4,462.91	20,940.91
2008	6,530.60	24,665.24
2009	3,191.94	25,236.06
2010	5,396.09	34,494.58
2011	8,878.97	38,016.97
2012	8,025.97	41,177.82
2013	6,809.23	42,396.77
2014	6,793.72	67,152.79
Σ	60,139.40	327,526.25

Source: CBN Annual Statistical Bulletin, 2014

Table 4. Annual losses due to vandalization and Oil output between 2005 and 2014.

Year	N Millions Losses due to vandalization	N Million Annual Output
2005	41,615.00	4,762,400.00
2006	36,646.00	5,287,570.00
2007	17,240.00	4,462,910.00
2008	14,594.00	6,530,600.00
2009	8,195.00	3,191,940.00
2010	6,848.11	5,396,090.00
2011	12,526.00	8,878,970.00
2012	21,484.00	8,025,970.00
2013	38,881.33	6,809,230.00
2014	44,749.96	6,793,720.00
Σ	242,779.40	60,139,400.00

Source: CBN Annual Statistical Bulletin, 2014

Table 5. Annual variation in Oil revenue and percentage change in oil revenue.

Year	Annual variation in Oil revenue (%)	Rate of change in Oil revenue
2006	11.03	11.03
2007	(15.60)	(26.62)
2008	46.33	61.93
2009	(51.12)	(97.45)
2010	69.05	120.18
2011	64.54	(4.51)
2012	(9.61)	(74.15)
2013	(15.16)	(5.55)
2014	(0.23)	14.93

Source: Extract from table 3

4. Result

Table 1 presents cost of peacekeeping and Gross Domestic Product (GDP) between 2005 and 2014. In 2006, the cost of peacekeeping increased by 43.90%, while the economy experienced a growth of 26.97%. However, the economy experienced a decline of 15.05% in 2007, while the cost of peacekeeping increased by 9.49%. In 2008, the cost of peacekeeping dropped by 44.55%, while the economy grew by 5.86% in that year. Conversely, while the cost of peacekeeping increased by 3.85% in 2009; the economy experienced a decline of 15.47%. In 2010, the cost of peacekeeping dropped by 11.79%, while the economy grew by 34.37%. However, the economy experienced a decline of 26.48% in 2011, as the cost of peacekeeping increased by 1.90% in 2012, as the cost of peacekeeping increased by 4.64%. However, in 2013, while the cost of peacekeeping dropped by 48.93%; the economy experienced a decline of 5.35%. Conversely, in 2014 there was an increase of 31.23% in the cost of peacekeeping; nonetheless, the economy grew by 55.43%.

Table 2 depicts cost of peacekeeping and government recurrent expenditure between 2005 and 2014. In 2005, the cost of peacekeeping constituted about 6.70% of government recurrent expenditure, while in 2006 about 9.15% of government recurrent expenditure was spent on peacekeeping effort. In 2007, about 11.39% out of government recurrent expenditure for that year was spent on peacekeeping effort, while in 2008 the cost of peacekeeping constituted about 9.31% of government recurrent expenditure. In 2009, the cost of peacekeeping effort formed about 10.43% of government recurrent expenditure, while in 2010 the cost of peacekeeping constituted about 7.20% of government recurrent expenditure. In 2011, the cost of peacekeeping effort formed about 8.45%, while it constituted about 10.92% of government recurrent expenditure in 2012. Moreover, in 2013 the cost of peacekeeping formed about 7.94% of government recurrent expenditure, while it constituted about 9.60% in 2014. However, the cost of peacekeeping constitutes an average of about 9.11% of government recurrent expenditure.

Table 3 shows Oil revenue and its contribution to GDP between 2005 and 2014. In 2005, the revenue generated from Oil contributed about 32.32% to the growth of the economy, while in 2006 the Oil revenue increased by about 11.03%, thereby contributing about 28.26% to the growth of the economy. In 2007, although the revenue generated from Oil dropped by about 26.62%, it contributed about 21.31% to the growth of the economy (see table 5). However, though the Oil revenue generated in 2008 increased by about 61.93%, it contributed about 26.48% to the growth of the economy. In 2009, the revenue generated from Oil dropped drastically by about 97.45%; however, it contributed 12.65% to the growth of the economy. In 2010, the Oil revenue increased substantially by about 120.18%, but contributed about 15.64% to the growth of the economy, an indication that other sectors contributed more in that year. Conversely, in 2011, although the Oil revenue dropped by 4.5%, it contributed about 23.36% to the growth of the economy. Moreover, though the Oil revenue dropped drastically in 2012 by about 74.15%, it contributed about 19.49% to the growth of the economy. Similarly, though the Oil revenue generated in 2013 dropped by about 5.55%, it contributed about 16.06% to the growth of the economy. However, in 2014 the revenue generated from Oil increased by about 14.93%, contributing about 10.12% to the growth of the economy. Lastly, the analysis reveals that Oil revenue contributes an average of about 20.57% to the growth of the economy.

Table 4 reveals losses due to vandalization of Oil pipelines and annual Oil output between 2005 and 2014. In 2006, as the value of losses from pipelines vandalism dropped by

about 11.94%, the total output increased by about 11.03%. However, in 2007 though the value of losses attributable to pipelines vandalism dropped by about 41.01%, the total output also dropped by about 26.62%. Conversely, as the losses increased by about 37.61% in 2008, the total output also increased by about 61.93%, indicating that though losses were recorded, it was not enough to affect the total output in that year. In 2009, though the losses from vandalized pipelines reduced by about 28.50%, the total output dropped drastically by about 97.45% instead of increasing. This could have been as a result of the influence of other factors other than losses from vandalized pipelines. Meanwhile, in 2010 the losses from vandalized pipelines increased by about 27.41% and the total output also increased substantially by about 120.18%. In 2011, the losses from vandalized pipelines increased by about 99.35%, while the total output dropped by about 4.51%. Though the value lost as a result of pipelines vandalism was outrageous, the impact on the total output was minimal. In 2012, the value of Oil lost to pipelines vandalism dropped by about 11.40%, while the total output dropped drastically by about 74.15% in that year. However, in 2013 as losses attributable to pipelines vandalism increased by about 9.46%, the total output dropped by about 5.55%. And in 2014, whereas the value of output lost to pipelines vandalism increased by about 65.88%, the total output increased by about 14.93%.

Hypothesis 1

H_0 : Cost involvement in peace-keeping by government does not significantly affect the growth of the economy.

H_1 : Cost involvement in peace-keeping by government significantly affects the growth of the economy.

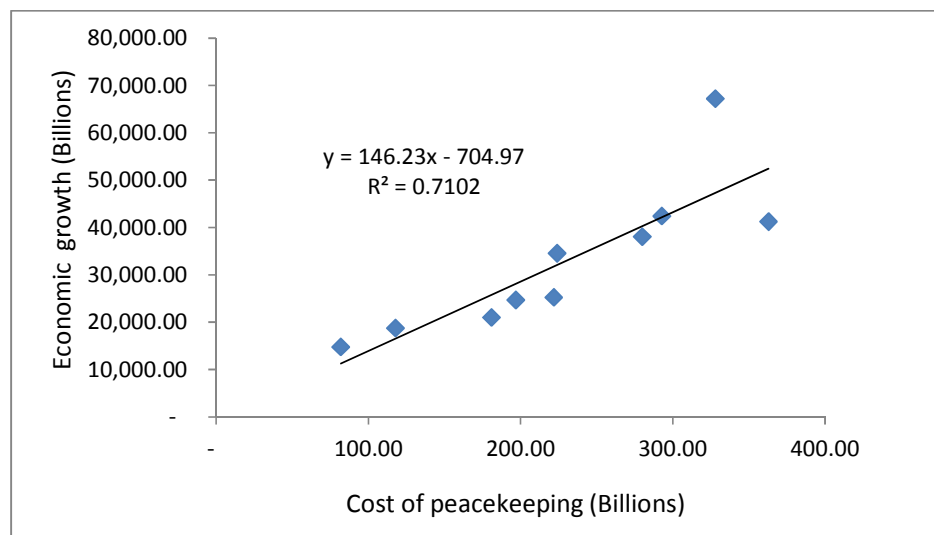


Fig. 1. Graphical correlation between the cost of peacekeeping and economic growth.

The result of the test as represented in fig. 1 depicts a correlation coefficient (r) of 0.84 and coefficient of determination (r^2) of 0.71. The t -test result was 4.41. Hence, the Null hypothesis was rejected since the $t_c(4.41)$ was greater than the $t_{0.05}(2.31)$ at 8 d.f, while the alternative hypothesis was accepted, indicating that the cost of peacekeeping

significantly affects the growth of the economy.

Hypothesis 2

H_0 : Cost involvement in peacekeeping by government does not significantly affect its recurrent expenditure.

H_1 : Cost involvement in peacekeeping by government significantly affects its recurrent expenditure.

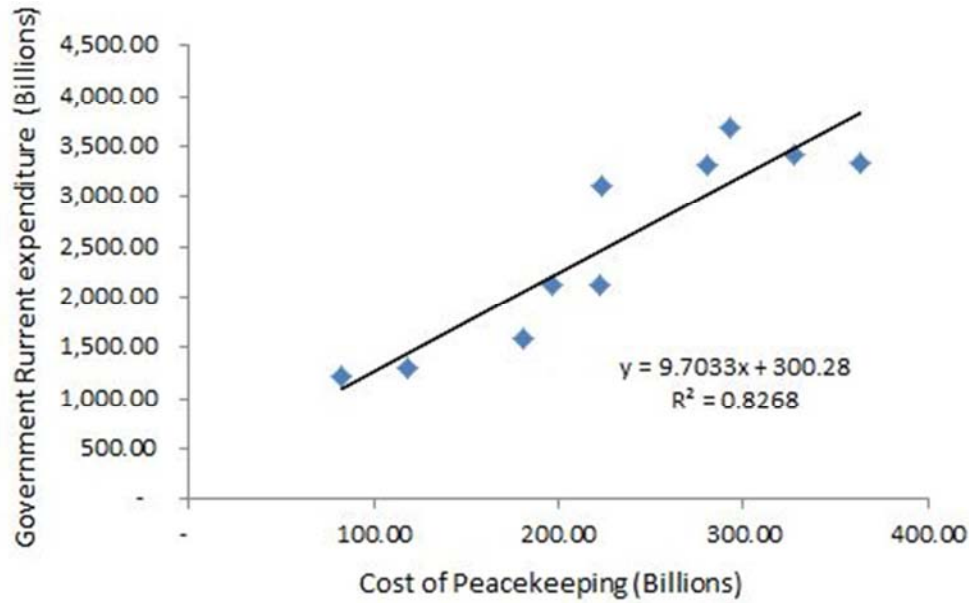


Fig. 2. Graphical correlation between the cost of peacekeeping and government recurrent expenditure.

The result of the test as represented in fig. 2 depicts a correlation coefficient (r) of 0.91 and coefficient of determination (r^2) of 0.83. The t-test result was 6.24. Hence, the Null hypothesis was rejected since the t_c (6.24) was greater than the $t_{0.05}$ (2.31) at 8 d.f, while the alternative hypothesis was accepted, denoting that the cost of peacekeeping significantly affects the recurrent expenditure

of government.

Hypothesis 3

H_0 : Oil revenue does not significantly contribute to the economic growth of Nigeria.

H_1 : Oil revenue contributes significantly to the economic growth of Nigeria.

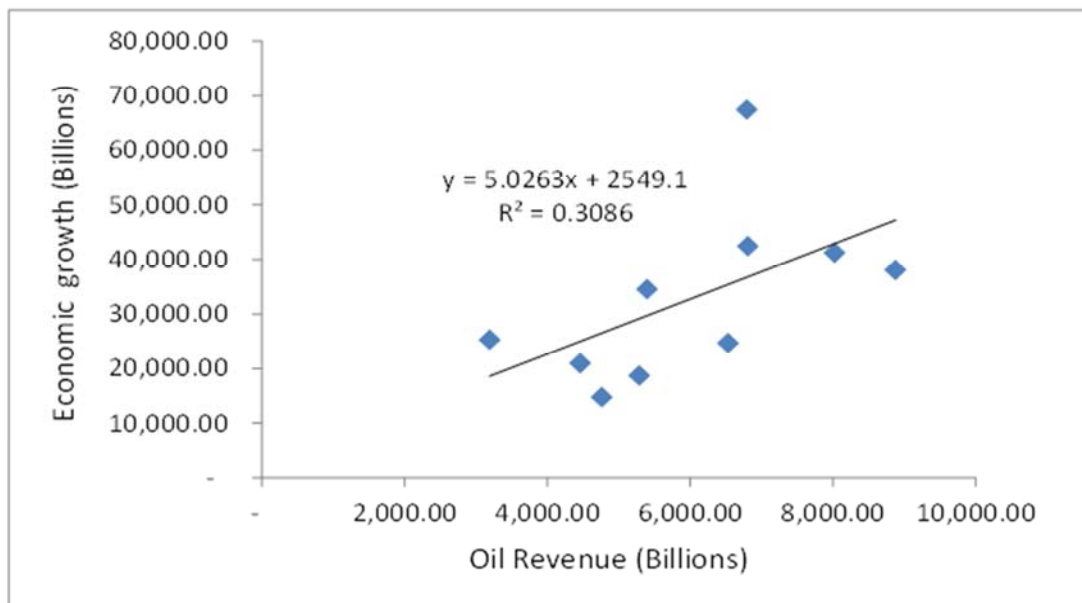


Fig. 3. Graphical correlation between Oil revenue and economic growth.

The result of the test as represented in fig. 3 depicts a correlation coefficient (r) of 0.56 and coefficient of determination (r^2) of 0.31. The t-test result was 1.91. Hence, the Null hypothesis was accepted since the t_c (1.91) was less than the $t_{0.05}$ (2.31) at 8 d.f, denoting that Oil revenue does not significantly contribute to the economic growth of

Nigeria.

Hypothesis 4

H_0 : Losses from vandalization of Oil pipelines does not significantly affect Oil output.

H_1 : Losses from vandalization of Oil pipelines significantly affects Oil output.

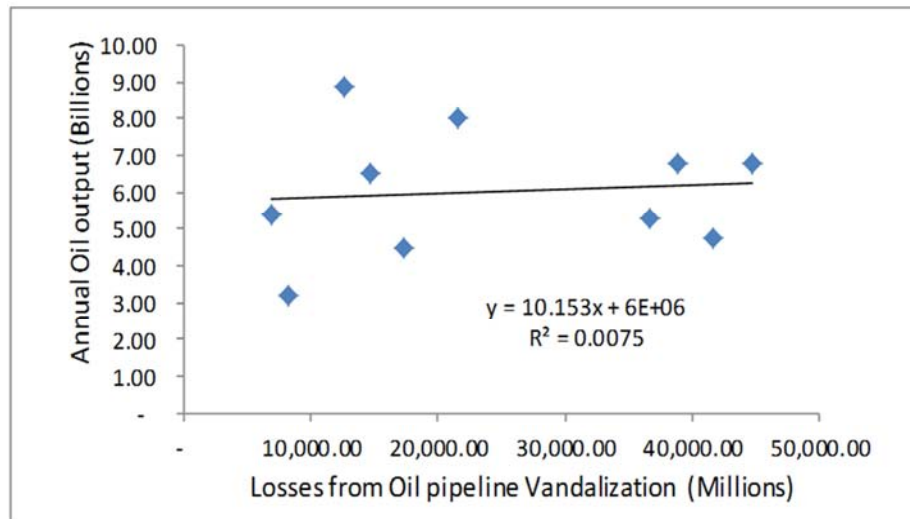


Fig. 4. Graphical correlation between losses from pipeline vandalization and annual output.

The result of the test as represented in fig. 4 depicts a correlation coefficient (r) of 0.09 and coefficient of determination (r^2) of 0.0075. The t-test result was 0.26. Hence, the Null hypothesis was accepted since the t_c (0.26)

was less than the $t_{0.05}$ (2.31) at 8 d.f, indicating that losses from vandalization of Oil pipelines does not significantly affect Oil output.

Table 6. Calculated results of statistical variables.

STATISTICAL VARIABLES	H ₁	H ₂	H ₃	H ₄
Intercept (a_0)	-704.97	300.28	2549.14	5767444.70
slope of coefficient (b_1)	146.23	9.70	5.03	10.15
Correlation coefficient (r)	0.84	0.91	0.56	0.09
Coefficient of determination (r^2)	0.71	0.83	0.31	0.0075
Critical value ($t_{0.05}$)	2.14	2.14	2.14	2.14
Degree of freedom (d.f)	8	8	8	8

5. Discussions

The hypotheses tested revealed that cost involvement in peacekeeping by government significantly affects the economy and that it also has a significant influence on the recurrent expenditure of government. This implies that as the cost of peacekeeping increases, the recurrent expenditure of government continues to increase, more and more financial resources would have to be committed to peacekeeping effort. Also, the study revealed that Oil revenue does not significantly contribute to the growth of the economy. For instance, in 2008 Oil revenue increased by about 61.93%, while the economy only grew by 5.86%, and in 2009, while Oil revenue dropped by 97.45%, the GDP dropped by about 15.47%, indicating the presence of another factor exerting a greater influence on the growth of the economy other than the Oil sector. Moreover, the study further revealed that losses attributable to pipelines vandalization do not significantly affect the total output of Oil. For instance, in 2008 and 2010 though losses increased by about 46.33% and 69.05% respectively, this did not have a significant impact on the total output, as the output increased by about 61.93% and 120.18% respectively, despite the losses recorded. This

however points to the fact that there are other factors other than pipelines vandalism that impacts negatively on Oil revenue generation, thereby causing it to contribute insignificantly to the growth of the economy.

Furthermore, table 6 depicts the results of the statistical parameters considered in the study in line with the model specified. This reveals that there is a strong positive relationship between economic growth and the cost of peacekeeping (Table 6, H₁). The r^2 -value shows that the regression line fits the data and that the cost of peacekeeping accounts for about 71% variation in the growth of the economy. The slope coefficient reveals that if the cost of peace keeping is increased by 1%, the economy will only grow by an average of about 1.5%. Moreover, the regression line has a negative intercept represented by the constant term. This implies that holding the cost of peacekeeping constant, there will still be an autonomous decrease of about an average 7.0% in the growth of the economy. Also, the result (Table 6, H₂) shows a highly positive relationship between government recurrent expenditure and the cost of peacekeeping. It further reveals that the regression line has a positive intercept represented by the constant term. This implies that holding the cost of peacekeeping constant, government recurrent expenditure will increase autonomously at an average of 3%. However, a 1% increase

in the cost of peacekeeping led to an average of about 9.7% increase in the recurrent expenditure of government. By implication, if the cost of peacekeeping is eliminated, government recurrent expenditure will only increase by about 3%, thereby reducing government expenditure by about 6.7%. Also, the coefficient of determination shows that the regression line fits the data and that the cost of peacekeeping accounts for about 83% of the variation in government recurrent expenditure.

However, there is a moderately positive relationship between the GDP and Oil revenue (Table 6, H₃). The regression line has a positive intercept represented by the constant term. This indicates that holding the contribution of Oil revenue to the growth of the economy constant, the economy will still grow at an average of about 2.5%. Moreover, the slope coefficient shows that a 1% change in the contribution of Oil revenue to the growth of the economy led to a change of about an average of 5.03% in the growth of the economy. However, the coefficient of determination shows that Oil revenue explains about 31% of the variation in economic growth. In another development, the result also depicts a positively insignificant relationship between losses attributable to pipelines vandalism and the total output of crude Oil (Table 6, H₄). It further reveals that a 1% change in the value of Oil losses led to an average of about 10% change in total output. However, the coefficient of determination indicates that the variation in total output is explained by an average of about 0.0075% of the losses due to pipelines vandalism, which is quite insignificant.

The study aimed at determining the extent of cost involvement by government in peace-keeping and its implications on the economy, revealed that the cost of peace-keeping has a strong implication on the economy. That is, as the cost of peace-keeping increases, the recurrent expenditure of government equally increases in order to allow the economy to grow by at least an average of about 1.5%. By implication, as the cost of peacekeeping increases, it forces the recurrent expenditure of government to increase equally. The increase in government expenditure that would have affected the productive sectors as well as her citizens is channeled to peacekeeping effort. Moreover, it could also be deduced in line with the assertion of [7], that significant resources is required for peacekeeping effort, as it has the tendency of reducing the rate of violence during periods of conflict as well as increase the possibility of ending such conflicts; going by the sharp drop in government expenditure on peacekeeping, just immediately after a major increase. However, this further explains why a 1% change in the cost of peacekeeping led to an average of about 1.5% growth of the economy, because the increase in the recurrent expenditure helps to cushion the effect of the activities of the militants, such that the economy can still grow by at least an average of about 1.5% annually. Moreover, in an attempt to consider balancing government revenue with its expenditure considering the present state of the economy, the study considered the activities of the militants as it affects the economy. This became necessary because of the high cost

that is involved in peacekeeping effort and its ability to force the recurrent expenditure of government to increase substantially, and where there is no sufficient fund to finance peacekeeping effort, it will be quite devastating. Although, the study revealed that Oil which used to be the major source of foreign earning to the country, contributing about 95% to the country's GDP, now contributes insignificantly to the growth of the economy; and that direct losses from the vandalization of Oil pipelines does not significantly affect Oil revenue, the aftermath effect of vandalized pipelines has a more far reaching effect on the economy than the losses recorded as a result of vandalized pipelines. Severally, pipelines vandalism has led to the loss of many lives and Oil spillage, resulting to environmental degradation. For those damages that can be fixed, remedied, or replaced, it has always cost the government a fortune to do so, which is an additional cost to the cost of peacekeeping and losses attributable to pipelines vandalism.

6. Conclusion

The emergence of the Niger-delta militancy and their activities could be linked with the Marxist theory of class struggle – where the class that is being marginalized or exploited, on becoming aware of the stress they bear in order to maximize their potentials and opportunities, they do anything possible to ensure that there is a turn around to their own advantage. It could therefore be deduced that the activities of the militants in the Niger-delta region is in recognition of the fact that they came to a realization of being marginalized and exploited, and the only way to either seek redress or to be heard was to engage in such activities. This clearly points to what negligence on the part of government can emanate to. The people in that region suffered neglect for a very long time, which prompted them to resort to such vices as a means of seeking redress. It is therefore necessary for government to always act promptly and accordingly as the saying goes, 'a stitch in time saves nine' in order to avoid such huge spending on peacekeeping as well as the cost of fixing damages caused by the militants, which will normally result in a decline instead of growth in the economy.

Recommendations

Based on the findings arising from this study, the following are hereby recommended:

The increase in government recurrent expenditure could be channeled to activities and programmes such as skills acquisition and empowerment programmes that will have direct impact on the lives of the inhabitants of the region in order to reduce the high rate of poverty and unemployment among the young populace, so that they can in turn add value to the economy.

More attention needs to be paid to the plight of the people of Niger-delta in order to completely discourage the use of militancy as a tool for seeking redress. Also, government should adopt both the interest-based and right-based

approaches as propounded by [13], as a means of addressing and prevent cases of disputes from escalating, as this will help to reduce the recurrent expenditure of government and also increase the growth rate of the economy above an average rate of 1.5%.

Government should be quite sensitive and responsive to the plight of its citizens by providing basic social amenities and infrastructure, as well as welfare needs, and not wait until there is a violent outburst that will result in the loss of lives and properties before they will respond, by spending huge amount of money on remedial actions in a bid to bring the situation under control.

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