

BULLETIN

OF "CAROL I" NATIONAL DEFENCE UNIVERSITY

<https://buletinul.unap.ro/index.php/en/>

Security Expenditures and Fiscal Strain: The Impact of the Farmer-Herder Conflict on Public Finance in Northern Nigeria (2015-2024)

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Abstract

Nigeria has been entrapped in a cycle of insecurity which has not only affected the lives and properties of its citizens, but as had a colossal effect on the macro-economy of the state. The waves of insecurity since the genesis of the fourth republic have created patterns of unending micro and macro insecurity, with a resounding feature of immediate and relative financial consequences. This insecurity in multiple parts of the Northern part of Nigeria broadens and stretches the state's efforts to thwart the violence. So, this study examines the fiscal implications of insecurity on Nigeria's public finance between 2015 and 2024, with a focus on defence expenditure, social sector allocations, and revenue generation. Using panel data and the systems theory framework, the research explores how escalating insecurity driven by insurgency, banditry, and herder-farmer conflicts has shifted fiscal priorities towards defence spending at the expense of critical sectors like education, health, and agriculture. Empirical findings reveal that insecurity has led to a disproportionate allocation of resources to defence, rising from \$16 billion in cumulative spending between 2008 and 2018 to N3.25 trillion in 2024 alone, representing 12% of the national budget. Concurrently, revenue generation has declined due to disruptions in agricultural production, trade, and investment in conflict-prone areas, thereby constraining fiscal space. Comparative insights from conflict-affected countries such as Afghanistan and Somalia further illustrate the destabilising economic effects of prolonged insecurity.

Keywords:

insecurity; public finance; expenditure; political system; military.

Article info

Received: 6 April 2025; Revised: 30 April 2025; Accepted: 16 May 2025; Available online: 27 June 2025

Citation: Salawu, I.O., M.O. Salahu, E.O. Lambe, and H.S. Ishola. 2025. "Security Expenditures and Fiscal Strain: The Impact of the Farmer-Herder Conflict on Public Finance in Northern Nigeria (2015-2024)." *Bulletin of "Carol I" National Defence University*, 14(2): 62-81. <https://doi.org/10.53477/2284-9378-25-16>



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1. Introduction

Globally, fiscal structures have witnessed significant transformations due to shifting global economic demands, especially in the wake of the COVID-19 pandemic, and the Russia-Ukraine war, which triggered unprecedented economic disruptions (Rezai, et al. 2024). As governments scrambled to address public health crises, social welfare challenges, and economic recovery, fiscal deficits widened substantially. At the same time, rising insecurity has driven many countries to divert resources from development expenditures toward military spending. The Stockholm International Peace Research Institute (SIPRI 2023) highlights that global military expenditures rose to over \$2 trillion by 2022, reflecting increased insecurity and increased defence allocations across nations grappling with geopolitical tensions, domestic insecurity, and post-pandemic recovery deficits. This phenomenon has been especially pronounced in low- and middle-income countries such as South Sudan, Algeria, DRC, Mexico, Ukraine, and Poland, where the fiscal strain has translated into reduced investments in sectors essential for long-term socio-economic development, including education, health, and agriculture.

On the African continent, fiscal pressures have intensified due to chronic instability, particularly in the Sahel, where weak state structures, transnational terrorism, and organised crime have exacerbated a new market for insecurity. The porous borders of the Sahel region have facilitated the proliferation of small arms, human trafficking, and the movement of extremist groups, creating a complex, multi-dimensional security crisis. The Multinational Joint Task Force (MNJTF 2021) reports that insecurity in the Sahel has displaced over five million people and cost affected economies more than \$30 billion annually in lost productivity, disrupted trade, and damaged infrastructure. This instability has been partly linked to the destabilising ripple effects of the Arab Spring, which, since 2011, created security vacuums in Libya and other North African states, enabling the spread of jihadist insurgencies and illicit arms networks into West Africa. These dynamics have amplified fiscal vulnerabilities in affected countries, where rising defence budgets have crowded out investments in health, education, and social services.

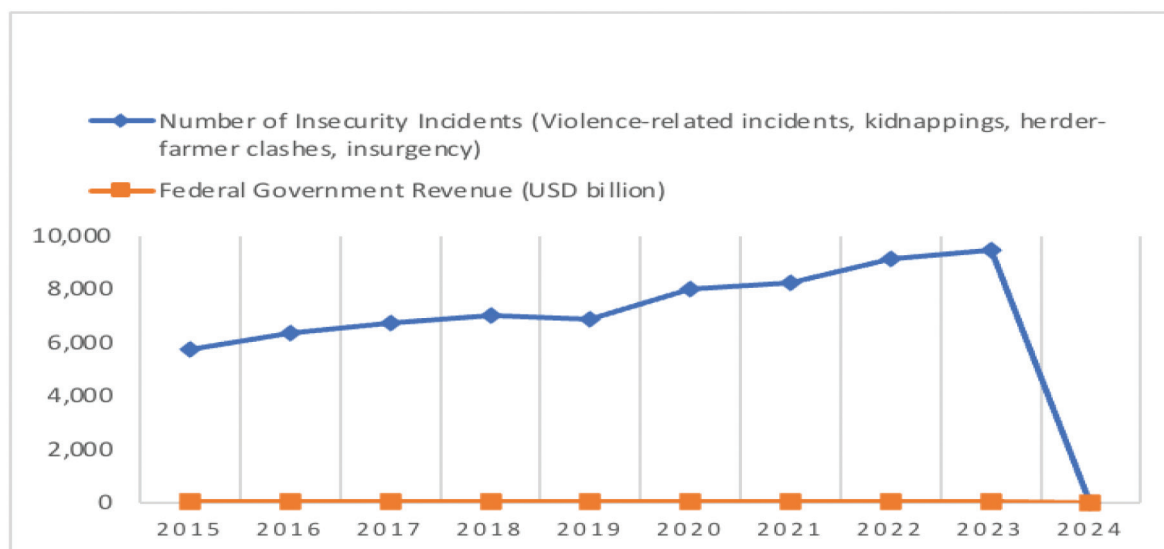
Over the last decade, Nigeria's fiscal capacity has sharply declined (Aganga 2023), therefore undermining the state's ability to fund core developmental functions. Between 2014 and 2016, the collapse in global oil prices on which Nigeria depended for over 70% of government revenue fell, which resulted in significant shortfalls in the government's spending and ability to manage the country's fiscal responsibility. With oil revenue dropping from ₦6.8 trillion in 2014 to ₦1.9 trillion by 2016 (CBN 2017) and also compounded by persistent insecurity that disrupted non-oil revenue sources, especially agriculture and trade in the North, the state's capacity to raise and allocate resources for public services weakened drastically.

In northern Nigeria, where this insecurity was predominant, the waves of insecurity have reached unprecedented levels since 2015 due to the simultaneous rise of Boko

Haram insurgency, herder-farmer clashes, Unknown Gunmen (UGM) and banditry. According to the Global Terrorism Index by the institute for economic and peace (IEP 2022), Nigeria consistently ranks among the top ten countries most affected by terrorism, with thousands of lives lost annually and millions displaced. This insecurity has necessitated a dramatic increase in military spending, with Nigeria's defence budget more than tripling between 2015 and 2024. By 2022, defence allocations reached approximately ₦2.5 trillion, representing over 15% of total federal spending (Budget Office of the Federation 2022). However, this increased security expenditure has coincided with stagnation in key social sectors. Allocations to education and health, for instance, remain below UNESCO and WHO recommendations, limiting progress in human capital development. The insecurity itself has also disrupted economic activity, particularly in northern Nigeria's agrarian communities, where banditry and insurgency have displaced farmers, reduced agricultural output, and contracted the government's tax base. This cyclical dynamic, where insecurity worsens fiscal capacity and reduced fiscal capacity exacerbates insecurity and has left Nigeria facing protracted fiscal instability, with implications for broader development goals.

Nigeria's persistent insecurity, particularly in the northern region, has profoundly reshaped its fiscal landscape over the past decade. With an estimated 80,000 deaths attributed to insurgency, banditry, and herder-farmer clashes between 2015 and 2024 (ACLED 2024), the country's security crisis has escalated into a multi-front war that continues to exact a heavy toll on lives, livelihoods, and public finances. This protracted conflict has forced the Nigerian government to allocate an increasingly disproportionate share of its budget to defence and security. For instance, defence spending rose by over 280%, from ₦504 billion in 2015 to ₦3.25 trillion in 2024 (Statista 2024) at the expense of investments in key developmental sectors like education and health.

Graph 1 Trend of macro-insecurity incidents in Northern Nigeria (2015-2024)



Source: Researchers' survey, across NBS, CBN, Nigeria Security Tracker, IMF

The fiscal impact of this security crisis is evident in the declining allocations to social sectors. Despite Nigeria's growing population and worsening human development indicators, the education sector's share of the national budget stagnated at around 5–7% annually, far below the UNESCO-recommended benchmark of 15–20%. Similarly, health sector allocations, though increasing in nominal terms, have remained insufficient to meet the country's worsening health outcomes, as seen in Nigeria's high maternal mortality ratio of 512 per 100,000 live births ([World Bank 2023](#)). This imbalance has hindered efforts to improve infrastructure, recruit and retain skilled personnel, and enhance service delivery, further deepening Nigeria's development challenges.

The pervasive insecurity has also disrupted economic activities, particularly in agriculture, a key sector in northern Nigeria. The Food and Agriculture Organisation (FAO) estimates that herder-farmer conflicts alone have cost the Nigerian economy over \$14 billion annually due to lost agricultural output, displacement, and destroyed farmlands. This disruption, combined with deteriorating business confidence, has contracted the tax base and reduced government revenues. Consequently, Nigeria's fiscal deficit has widened, necessitating increased borrowing and exacerbating the debt crisis. By 2024, debt servicing alone accounted for 74% of total federal revenues, leaving minimal fiscal space for developmental priorities.

Moreover, the inflationary pressures driven by insecurity-related supply chain disruptions have worsened the economic hardship for ordinary Nigerians. The inflation rate surged from 9% in 2015 to over 24% in 2023, eroding purchasing power and exacerbating poverty, particularly in the conflict-affected northern region. This cyclical insecurity-fiscal strain nexus has trapped Nigeria in a state of perpetual instability, where insecurity depletes fiscal resources, weakens socio-economic resilience, and perpetuates the very conditions that fuel further unrest. In lieu of this, the study examines the fiscal implications of this insecurity from 2015 to 2024, analysing how government expenditure patterns have evolved in response to these persistent threats.

2. Research methodology

This research employs a mixed-methods design, integrating quantitative analysis of panel data with secondary qualitative insights to explore the fiscal consequences of insecurity in Northern Nigeria between 2015 and 2024. By adopting a time series and longitudinal approach, the study examines trends in budgetary allocations to key sectors, including defence, health, education, and agriculture, while examining macroeconomic variables such as debt servicing, inflation, and oil revenues. The data, drawn from reputable institutions like the Budget Office of the Federation, Central Bank of Nigeria, World Bank, and Global Terrorism Index, undergo statistical scrutiny through descriptive and inferential techniques, with an emphasis on trend

analysis and panel regression. The research applies the system theory to interpret the fiscal trade-offs arising from prolonged insecurity. To enhance reliability and validity, the study employs triangulation and diagnostic tests of autocorrelation, ensuring robust findings and ethical adherence through accurate sourcing and representation of data.

3. Literature Review

3.1. Concept of Insecurity

Insecurity is the state of vulnerability to injury, danger, or threat, be it physical, economic, or social. It entails a lack of safety, stability, or defence against violence and harm. Scholars and institutions have defined insecurity in various ways, and much of the literature highlights its multidimensionality. [Wolfers \(1952\)](#) posits insecurity as the absence of physical and psychological stability, while [Collier and Hoeffler \(2004\)](#) emphasise political instability, civil war, and bad governance as causes of insecurity, particularly in fragile states. Insecurity could be categorised into forms like physical insecurity (which includes violence, terrorism, insurgency, and armed conflict), food insecurity, economic insecurity, and cyber insecurity. In the Nigerian situation, insurgency, banditry, herder-farmer conflicts, and kidnapping are the most prevalent forms of insecurity. These security challenges have been particularly atrocious in Northern Nigeria, where instability has resulted in the loss of lives and property, the displacement of the people, and the disruption of agricultural production and trade. The insecurity in Northern Nigeria is also heightened by the permeable borders of the Sahel, transnational organised crime, institutional capacity shortfall, and a history of resource-based violence in the past. The pervasive insecurity has broader socio-economic implications because it affects governance, reduces foreign and domestic investment, and increases public spending on security and defence at the detriment of other relevant sectors like education, health, and infrastructure. Scholars such as [Ake \(1996\)](#) argue that insecurity also undermines democratic governance and state legitimacy as citizens lose faith in the ability of the state to protect lives and property. Insecurity, therefore, is not just a security issue but a systemic one that impacts public policy, fiscal management, and overall socio-political stability.

To incorporate the dataset effectively into the section 3.2 Concept of Public Finance, you should use it to empirically support the paragraph that discusses the weakening fiscal position of the Nigerian state due to insecurity and external shocks. The integration should serve as an evidentiary bridge between theoretical public finance and the actual fiscal trajectory of Nigeria.

3.2. Concept of Public Finance

Public finance is the study of how the government raises revenue, distributes resources, and controls spending in order to attain economic stability, equity, and efficiency. Public finance is concerned with the state's fiscal function, taxation, borrowing, government expenditure, and management of fiscal policy. [Musgrave \(1989\)](#) define public finance as having three key functions:

1. Allocation Function – The provision of efficient public goods and services.
2. Distribution Function – Redistributing income and wealth to promote social equality.
3. Stabilisation Function – Use of fiscal tools to confer macroeconomic stability, including controlling inflation, reducing unemployment, and stabilising economic growth.

In Nigeria, public finance has historically been dominated by oil revenue, accounting for the majority of government income. However, since 2015, this dependency has become a critical vulnerability due to global oil price volatility, domestic oil theft, corruption, and disruptions from insecurity. Between 2015 and 2024, government revenue as a percentage of GDP oscillated widely, dropping as low as 5.1% in 2016 during the oil price crash and pandemic aftermath, before climbing to a projected 12.4% by 2024 following structural reforms and subsidy removals ([IMF 2023](#); [Oxford Business Group 2024](#)).

Year	Govt Revenue (% of GDP)	Oil Revenue (% of GDP)	Non-Oil Revenue (% of GDP)
2015	7.5%	3.2%	4.3%
2016	5.1%	2.2%	2.9%
2017	6.6%	2.5%	4.1%
2018	8.5%	3.0%	5.5%
2019	7.8%	2.8%	5.0%
2020	6.5%	2.4%	4.1%
2021	7.1%	2.3%	4.8%
2022	9.0%	3.6%	5.4%
2023	9.4%	2.9%	6.5%
2024	12.4% (proj.)	6.0% (proj.)	6.5% (proj.)

This fiscal contraction was exacerbated by increased security expenditures, which crowded out critical sectors such as education and health. The post-2020 period particularly reflects the compound effects of the COVID-19 pandemic, the global energy crisis stemming from the Russia-Ukraine war, and major structural reforms initiated in 2023 by the new administration. These events not only impaired oil exports and disrupted non-oil sectors but also widened the fiscal deficit and triggered debt-servicing pressures. As a result, Nigeria's capacity to fulfil the Musgravian functions of public finance has been severely constrained, especially in stabilising the macroeconomy and delivering equitable services.

3.3. Theoretical Framework:

Systems Theory

The Systems Theory, formulated based on the works of Ludwig von Bertalanffy in the 1950 but it is majorly attributed and influenced by [Easton \(1971\)](#). He views the state as an interdependent and dynamic system composed of various interdependent

subsystems such as security, economy, education, health, and public finance. The subsystems work together for the stability and viability of the overall system (the state). When one of the subsystems, say security, experiences long-term instability or malfunction, it has a chain effect that destabilises other subsystems, weakening the balance of the overall structure. Further, David Easton's political system theory enriches this debate inasmuch as it imagines the state as a dynamic system processing inputs (for instance, demands for security) and producing outputs (for instance, policy and budgetary allocations). Easton's input-output model helps to explain how the chronic insecurity in the north generates fiscal pressures that lead to skewed defence expenditures while reducing investments in socio-economic infrastructure. The continuous feedback process of violence and instability feeds back into the system, elongating its overall equilibrium and affecting governance, resource distribution, and long-term development.

In the example of Northern Nigeria's insecurity (2015–2024), the persistent waves of insurgency, banditry, and herder-farmer conflicts represent a core failure in the security subsystem. The failure disrupts the normal socio-economic operations, leading to low agricultural output, economic displacement, and infrastructural damage. As a result, the Nigerian government is forced to allocate disproportionately large resources to the defence sector to manage this security crisis at the expense of key sectors like health, education, and agriculture. This reallocation, however, produces negative “outputs” like decreased investment in human capital development, higher debt servicing, and undermined social services, which further destabilise the socio-economic system. The financial burden occasioned by insecurity thus weakens the capacity of the state to provide essential services, which worsens poverty, inequality, and governance problems, thereby fuelling a vicious cycle of systemic instability.

Applications of the theory

Applying Systems Theory, the research conceptualises insecurity not as an isolated phenomenon but as part of an overall systemic breakdown with rippling effects on public finance and national development. The theory calls for restoring equilibrium to the state system by addressing the root causes of insecurity.

3.4. Historical Overview of Insecurity in the Nigeria Fourth Republic

Insurgency: The Boko Haram Threat (2015–2024)

The Boko Haram insurgency, which started in the early 2000s, has remained a significant threat to peace and stability in Northern Nigeria, particularly in the Northeast. Despite intensified military operations, including the deployment of Operation Lafiya Dole in 2015 and ongoing counterinsurgency operations aided by regional forces like the Multinational Joint Task Force (MNJTF), Boko Haram and its splinter group, the Islamic State West Africa Province (ISWAP), have maintained the capacity to carry out attacks. These come in the shape of bombings, kidnappings, and attacks on military bases and civilian villages. As of 2022, the United Nations High Commissioner for Refugees (UNHCR) put the number of people internally

displaced due to the insurgency at over 2.2 million, with Borno State being the most impacted ([UNHCR 2022](#)). The economic implications have been catastrophic, with defence expenditures rising steadily to counter the insurgency, while humanitarian needs, such as food support and education for displaced children, have strained government resources.

Banditry in the Northwest

Since 2016, banditry has emerged as one of the most pressing security challenges in the Northwestern states, particularly Zamfara, Katsina, Sokoto, and Kaduna. What was initially considered small-scale local criminality in the guise of cattle rustling has escalated into a more organised and brutal conflict, with armed fighters committing widespread kidnappings for ransom, mass atrocities, and village burnings. Between 2021 and 2019, over 1,600 people were killed by bandits in Katsina and Zamfara, and thousands of others left displaced, according to a report by United Nations High Commissioner for Refugees (UNHCR) and Nigeria's National Commission for Refugees, Migrants, and Internally Displaced Persons (NCFRMI) ([IEP 2022](#)). The simplicity of movement across the porous borders between Nigeria and Niger has facilitated the flow of small arms, worsening the violence and making it difficult to conduct counter-banditry operations. The government has responded in the center by increasing military deployments and declaring a no-fly zone over Zamfara State in 2021 to stop illegal mining and arms trafficking. Nevertheless, the persistence of banditry has been socio-economically devastating, affecting agriculture (one of the main livelihood in the region) and local government revenue due to rural population displacement and the disruption of market activities.

Herder-Farmer Conflicts in North Central Nigeria

The herder-farmer conflict, primarily affecting Benue, Plateau, Nasarawa, and Taraba States, has deep historical roots linked to competition over land and water resources. However, climate change, population growth, and the southward migration of nomadic herders from the Sahel have intensified these clashes over the past decade. Between 2015 and 2020, over 8,000 people died, and hundreds of communities were displaced from their homes due to clashes, according to the [International Crisis Group \(2021\)](#). These have escalated ethnic and religious tensions, most significantly in Benue and Plateau States, where farmers (predominantly Christian communities) and herders (largely Fulbe Muslims) accuse each other of violence and encroachment on resources. Federal and state government interventions in ending the hostilities, as in the example of passing anti-open grazing policies in Benue and Ekiti States, have been received with mixed success, with observers criticising such regulations for the tendency to heighten tensions by circumscribing pastoral livelihoods while not providing pragmatically functional alternatives. This has resulted in the following instability undermining agricultural production in the region, increasing food insecurity, and further straining Nigeria's finances as resources are redirected towards managing the conflict and hosting displaced persons.

TABLE NO. 1
Insecurity Incidents vs. Federal Government Revenue and Revenue as % of GDP (2015-2024)

Year	Number of Insecurity Incidents	Federal Government Revenue (USD billion)	Government Revenue (% of GDP)
2015	5,753	19.0	3.9%
2016	6,349	16.2	4.0%
2017	6,728	19.5	5.2%
2018	7,003	22.0	5.2%
2019	6,871	24.5	5.2%
2020	7,985	14.3	3.3%
2021	8,241	17.6	4.0%
2022	9,121	20.8	4.4%
2023	9,458	22.9	6.3%
2024	9,700	24.1	6.6%

Sources: Researcher's survey (2024) across various secondary materials; Nigeria GDP data from YCharts; Federal Government Revenue data from IMF Staff Country Reports.

The data illustrate a concerning trend where, despite a significant increase in insecurity incidents from 5,753 in 2015 to 9,700 in 2024, the federal government's revenue as a percentage of GDP has remained relatively low, fluctuating between 3.3% and 6.6% over the decade. This low revenue-to-GDP ratio suggests limited fiscal capacity to address the escalating security challenges and their associated socioeconomic impacts. The herder-farmer conflicts, particularly in states like Benue and Plateau, have not only led to loss of lives and displacement but have also strained the government's financial resources, diverting funds from developmental projects to security and humanitarian responses. This fiscal strain underscores the need for comprehensive strategies to enhance revenue generation and allocate resources effectively to mitigate the impacts of such conflicts.

3.5. Review of Empirical Studies

There have been various empirical studies on the effect of insecurity on public finance, and all of them show uniform findings emphasising raised defence expenditure, interrupted generation of revenue, and compromised allocation to social sectors. [Eboh and Umahi \(2021\)](#), in their research paper titled "Insecurity and Defence Spending in Nigeria: A Fiscal Challenge," analyse the fiscal impact of insecurity on Nigeria's budgetary process between 2008 and 2018. From their findings, based on secondary data collected from Nigeria's budgets and Central Bank of Nigeria (CBN) reports, it is evident that the issues of insecurity, like the Boko Haram menace, have led to the spending of over \$16 billion on defence and more than 10% of the federal budget annually. By using trend analysis, they show how the rising number of terrorist attacks and banditry forced the Nigerian state to raise defence spending at the cost of the social sectors, such as health and education. Although trend analysis of defence spending is useful, their research has a limitation in examining how falling revenues due to insecurity constrain fiscal space in the long run, which remains an under-researched area.

Similarly, Olaniyan et al. (2022) also study how insecurity affects funding of the social sector in Nigeria. In "The Impact of Insecurity on Social Sector Funding in Nigeria," they analyse budgetary allocations to education and health amid rising defence spending. Employing comparative budgetary analysis during the 2010-2021 period, the authors conclude that, although defence funding continuously increased to over N500 billion in 2021, funding for education and health stagnated at less than 7% of the federal budget. This budget imbalance, they discover, has led to dismal social outcomes, particularly in northern Nigeria, where insecurity disrupts schooling and limits access to healthcare. The authors further indicate how insecurity has paralysed revenue generation in the war-torn areas, particularly in the agricultural sector, which provides a major percentage of Nigeria's non-oil revenue. Though the research aptly captures the trade-off between defence and social expenditure, it fails to capture the full macroeconomic dimension of the impacts, such as fiscal deficit, inflation, and exchange rate instability, which are equally exacerbated by insecurity.

More geographically focused is the study by [Abdulkarim and Saidatulakmal \(2022\)](#) on the fiscal impact of insecurity in northern Nigeria, 2015–2022. In "Fiscal Implications of Insecurity in Northern Nigeria: A Trend Analysis (2015–2022)," the authors present an assessment of the impact that insurgency, banditry, and farmer-herder conflicts have had on public finances in the area. Through the application of panel data methods and tracking key fiscal metrics, they establish that insecurity reduced agricultural output in northern Nigeria by 20%, resulting in reduced tax collections and economic stagnation. They further argue that the increased borrowing by the Nigerian government to fund defence and security operations worsened the debt crisis of the country with long-term impacts on fiscal sustainability. While providing useful data on inter-regional differentials in fiscal performances, their article lacks the inflationary pressures due to such fiscal imbalances and leaves scope for further study on the macroeconomic implications at a bigger level.

Comparative examination of war-torn different nations like Afghanistan and Somalia on an international scale provides useful lessons on the fiscal cost of insecurity. According to a 2018 International Monetary Fund report, prolonged insecurity in Afghanistan meant a shrinking tax base, increased defence expenditure, and over-reliance on foreign support to finance core government activities. Similarly, a 2020 World Bank review of Somalia presents the way insecurity disrupted agricultural production and trade, which led to fiscal imbalances, undermined governance, and limited the delivery of public services. These instances illustrate the long-term implications of putting defence spending ahead of social investment in countries ravaged by war. Although Nigeria's scenario is unique due to its relatively larger economy, the implication of these global examples is that defence spending needs to be complemented with investments in important social sectors for the purpose of fiscal sustainability.

In total, the studies under review all point to the ubiquity of the impact of insecurity on public finance, from higher defence expenditure to lower revenues and eroded

social investments. Yet, there is still much research to fill in gaps, notably concerning the macroeconomic effects of fiscal imbalances caused by insecurity. These include inflation, exchange rate volatility, and debt sustainability. Utilising the systems theory framework, this research seeks to fill these gaps by investigating the ways in which insecurity, as a structural factor, destabilises fiscal stability and affects other sectors within Nigeria's public finance system. Through this method, the study will yield a better comprehension of the nexus between insecurity and fiscal sustainability and, in the process, enrich the larger academic literature on conflict, governance, and public finance in fragile states.

4. Results Presentation and Data Analysis

4.1. Comparative analysis of Nigeria's fiscal expenditures across 5 Sectors

TABLE NO. 2
Nigeria Federal Budget Allocations and Economic Indicators (2015-2024) in Naira

Year	Education (₦ Trillion)	Health (₦ Trillion)	Agriculture (₦ Trillion)	Defence (₦ Trillion)	Debt Servicing (₦ Trillion)	Inflation Rate (%)
2015	0.484	0.296	0.040	0.414	1.0	9.0
2016	0.403	0.250	0.046	0.516	1.23	15.7
2017	0.550	0.308	0.051	0.495	1.8	16.5
2018	0.605	0.356	0.118	0.612	2.01	12.1
2019	0.620	0.424	0.083	0.676	2.40	11.4
2020	0.686	0.427	0.183	0.943	2.40	13.2
2021	0.771	0.547	0.179	1.341	3.00	16.5
2022	0.923	0.876	0.284	1.579	3.76	18.6
2023	1.079	1.097	0.228	3.250	7.66	21.0
2024	2.180	1.330	0.228	4.910	8.10	19.5

Sources: Data compilation from NBS, Statista.

TABLE NO. 3
Nigerian Federal Budget Allocations (USD) Across Key Sectors (2015–2024)

Year	Education (USD Billion)	Health (USD Billion)	Agriculture (USD Billion)	Defence (USD Billion)	Debt Servicing (USD Billion)	Inflation Rate (%)
2015	2.46	1.50	0.20	1.95	3.50	9.01
2016	1.32	0.82	0.15	2.00	4.37	15.68
2017	1.53	0.86	0.14	2.19	5.03	16.52
2018	1.67	0.98	0.33	2.28	5.60	12.10
2019	1.72	1.18	0.23	2.35	5.67	11.40
2020	1.81	1.12	0.48	2.91	6.36	13.25
2021	1.88	1.33	0.44	3.35	7.70	16.98
2022	2.15	2.04	0.66	4.02	9.02	18.81
2023	1.40	1.42	0.30	4.35	9.45	21.80
2024	2.76	1.68	0.29	4.80	10.35	22.50

Sources: Researchers' compilation from NBS, CBN, Statista across various years.

The table provides a decade-long (2015–2024) overview of Nigeria's budget allocations to key sectors such as education, health, agriculture, defence, and debt servicing, alongside annual inflation rates. Over this period, defence spending witnessed a consistent increase, reflecting Nigeria's heightened security challenges, especially due to insurgency, banditry, and herder-farmer conflicts. Defence spending surged from \$1.95 billion in 2015 to \$4.80 billion in 2024, underscoring how insecurity has dominated fiscal priorities. Conversely, allocations to education, health, and agriculture remained relatively stagnant or saw minor fluctuations, with education experiencing a drop to \$1.32 billion in 2016 before increasing modestly, and agriculture receiving consistently low funding, peaking at \$0.66 billion in 2022. On the other hand, debt servicing rose significantly, from \$3.50 billion in 2015 to \$10.35 billion in 2024, reflecting Nigeria's mounting debt burden due to fiscal deficits and external borrowings. Meanwhile, inflation rates also climbed, particularly after 2020, from 13.25% to 22.50% by 2024, driven by the economic impact of insecurity, devaluation of the naira, and global shocks such as COVID-19. The data highlights how rising debt servicing and defence spending constrained funding for critical social services, which may have worsened human capital development outcomes and agricultural productivity.

Government Expenditure across military outfits (2015-2025)

TABLE NO. 4
Nigerian Government Expenditure on Security per Force (2015-2025)

Year	Army (Naira)	% Growth	Navy (Naira)	% Growth	Air Force (Naira)	% Growth
2015	₦150 billion	-	₦75 billion	-	₦77 billion	-
2016	₦148 billion	-1.33%	₦86 billion	+14.67%	₦91 billion	+18.18%
2017	₦155 billion	+4.73%	₦90 billion	+4.65%	₦100 billion	+9.89%
2018	₦224 billion	+44.52%	₦97 billion	+7.78%	₦112 billion	+12%
2019	₦228 billion	+1.79%	₦101 billion	+4.12%	₦115 billion	+2.68%
2020	₦463 billion	+103.07%	₦131 billion	+29.70%	₦136 billion	+18.26%
2021	₦511 billion	+10.38%	₦136 billion	+3.82%	₦140 billion	+2.94%
2022	₦579 billion	+13.31%	₦148 billion	+8.82%	₦180 billion	+28.57%
2023	₦580 billion	+0.17%	₦113 billion	-23.65%	₦184.77 billion	+2.65%
2025	₦19.2 billion*	-96.69%*	₦514.4 million*	-99.55%*	₦39.5 billion*	-78.62%*

Sources: Researchers' compilation, 2025

The table presents Nigerian government expenditure on the Army, Navy, and Air Force from 2015 to 2025, along with the percentage growth in allocations for each year. Between 2015 and 2022, there is a general upward trend in defence spending, with the Army seeing the largest increase, particularly from 2020 onward, when allocations rose dramatically, reaching 579 billion in 2022. This spike corresponds with escalating insecurity across the country, including Boko Haram insurgency, banditry, and herder-farmer conflicts. Similarly, allocations to the Navy and Air Force also increased, though at varying rates, with notable jumps in 2020 due to increased security pressures.

TABLE NO. 5
Social Indicators in Northern Nigeria (2015-2024)

Year	Out-of-School Children (North, Million)	Literacy Rate (%) (North-West/North-East)	Access to Clean Water (%) (National)	Multidimensional Poverty (%) (North)	Child Mortality (per 1,000 births)
2015	10.5	49% / 40%	29%	70%	109
2016	10.9	50% / 42%	30%	71%	107
2017	11.3	51% / 43%	32%	73%	105
2018	11.5	53% / 45%	35%	74%	104
2019	11.8	54% / 46%	37%	75%	100
2020	12.0	55% / 47%	40%	76%	98
2021	12.3	57% / 48%	42%	78%	97
2022	12.5	59% / 49%	45%	78%	95
2023	13.0	60% / 50%	46%	79%	94
2024	13.2	62% / 51%	47%	80%	92

Sources: Researchers' compilation across various organisations

Graphical representation of social indicators in Northern Nigeria



Discussion of Findings: Public Expenditure Trends in Nigeria (2015-2024)

The budgetary allocation trends in Nigeria between 2015 and 2024 indicate a troubling fiscal imbalance, driven largely by the country's deteriorating security situation. While core social sectors like education, health, and agriculture budgets show incremental increases over the years, the disproportionate rise in security spending reflects Nigeria's struggle with protracted insecurity, particularly in Northern Nigeria, where insurgency, banditry, and farmer-herder conflicts have disrupted socio-economic activities. The surge in security expenditures during this period is symptomatic of Nigeria's reactive fiscal approach to insecurity. Scholars like [Collier \(2007\)](#) argue that excessive military expenditure in fragile states often reduces the fiscal space needed for investment in human capital and social infrastructure. This trade-off is evident in

Nigeria's budget allocations, whereby while military spending rose from ₦302 billion in 2015 to over ₦1.04 trillion in 2022, education, health, and agriculture allocations remained comparatively stagnant, failing to meet international benchmarks. For example, UNESCO recommends that nations allocate 15–20% of their national budgets to education. However, Nigeria's education budget consistently falls short of this target, peaking at just 7.9% in 2024. Similarly, the World Health Organization (WHO) advises that at least 5% of a country's GDP should be allocated to health, but Nigeria's health budget, although increasing, remains insufficient to meet the population's needs, particularly in conflict-affected areas where hospitals have been destroyed, and healthcare delivery is severely disrupted.

The fiscal structure of a country plays a vital role in shaping social development outcomes, as seen when comparing Norway and Nigeria. Norway's well-structured fiscal policies emphasise effective management of oil revenues, with substantial allocations toward education, healthcare, and social welfare. This strategic focus has contributed to Norway achieving some of the best global social indicators, including an under-5 mortality rate of just 2 per 1,000 live births and a Human Development Index (HDI) score of 0.965, ranking it among the highest globally. Conversely, Nigeria's fiscal framework has struggled to effectively address social challenges, particularly due to competing priorities such as defence spending. In 2015, Nigeria recorded an under-5 mortality rate of 109 per 1,000 live births, which, while declining to 88 per 1,000 by 2024, still lags behind many middle-income countries. Additionally, Nigeria's HDI score stagnated at around 0.539 by 2020, reflecting limited progress in human capital development. This comparison highlights how a nation's fiscal policy and prioritisation can either drive or hinder social progress, with investments in critical sectors directly influencing key human development metrics (UNICEF 2020).

Table showing data for Nigeria from 2015 to 2024 on child mortality rates, standard of living indicators, and multidimensional poverty indices:

Year	Under-5 Mortality Rate (per 1,000 live births)	Human Development Index (HDI)	Multidimensional Poverty Index (MPI)
2015	109.0	0.527	0.3
2016	106.0	0.528	0.27
2017	104.0	0.531	0.257
2018	100.0	0.534	Data not available
2019	98.0	0.538	Data not available
2020	96.0	0.539	0.11
2021	94.0	0.535	0.3
2022	92.0	0.534	0.25
2023	90.0	Data not available	0.17
2024	88.0	Data not available	0.257

Sources: Researchers' compilation from various organisations

The data findings reveal the broader social challenges linked to Nigeria's fiscal shift toward military and defence spending from 2015 to 2024. Nigeria's case is mirrored by Iraq, another resource-rich nation whose fiscal reallocation toward defence has hindered social development. In Iraq, heavy defence expenditures following years of insurgency have constrained investments in critical social sectors. Despite Iraq's oil wealth, the country recorded an under-5 mortality rate of 25 per 1,000 live births in 2020, far higher than neighbouring oil-exporting countries like Saudi Arabia, where the rate is 6 per 1,000. Similarly, Iraq's Human Development Index (HDI) stagnated at 0.674 in 2020, while Saudi Arabia's stood at 0.854, reflecting Iraq's struggle to balance defence priorities with broader human capital investments. Nigeria faces parallel issues. Despite a decline in its under-5 mortality rate from 109 per 1,000 in 2015 to 88 in 2024, the slow progress underscores insufficient investment in healthcare due to fiscal diversion.

The agricultural sector has also suffered from both insecurity and inadequate funding. Armed violence, particularly in Northern Nigeria, has displaced thousands of farmers, reduced access to farmlands, and disrupted food supply chains. This has exacerbated food insecurity, with the Global Hunger Index ranking Nigeria 103rd out of 121 countries in 2022, citing insecurity as a key driver of declining agricultural productivity. Yet, despite these challenges, agricultural funding has remained erratic, peaking at 0.284 trillion in 2022 but dropping to 0.228 trillion in 2024. This disconnection between the scale of the agricultural crisis and government funding allocations reflects what Amartya Sen (1981) describes as a failure to prioritise social protection in times of crisis. Without adequate investment in agricultural resilience, Nigeria risks deepening rural poverty and food insecurity, further fuelling the cycle of violence in agrarian communities.

This situation Nigeria finds itself in, with shifting budgetary priorities, can be linked to key security events that have shaped the country's fiscal landscape. For instance, the escalation of Boko Haram attacks in the Northeast following the 2014 Chibok schoolgirls' abduction led to a sharp increase in defence spending in subsequent years. Similarly, the rise in banditry and kidnappings in the Northwest between 2018 and 2021 prompted increased allocations for military operations like Operation Hadarin Daji and Operation Sharan Daji. Despite these increased expenditures, the efficacy of Nigeria's military response remains questionable. Reports from the [International Crisis Group \(2021\)](#) highlight the fact that, while security forces have achieved some tactical but temporary victories, the underlying drivers of insecurity, such as poverty, unemployment, and weak governance, remain largely unabated due to the underfunding of social sectors which are supposed to strengthen peace.

Insecurity cuts across various sectors; some of them are education, agriculture and health, which have gotten less traction from the government. Development needs peace and peace needs development, making them *sine qua non* to each other ([UNDP 2021](#)). However, Nigeria has tried to fight insecurity by enforcing peace

without tackling the cogent instigator of insecurity in the Northeast, which is characterised by underdevelopment and low human capital development. The disproportionate allocation of resources to security creates a vicious cycle, wherein inadequate investment in education, health, and agriculture exacerbates the very conditions that fuel insecurity. Nigeria's youth unemployment rate, for instance, was at over 40% in 2023, with limited job opportunities contributing to the recruitment of young people by armed groups. The health sector faces similar challenges. The disruption of healthcare services in conflict zones has led to rising maternal and child mortality rates, while the underfunding of healthcare infrastructure in safer regions limits Nigeria's capacity to address public health crises. This situation has prompted calls from policymakers and civil society organisations for a more balanced approach to national security, one that emphasises human security as much as territorial security. If current trends continue, Nigeria risks further entrenching its fiscal imbalance, with security spending crowding out critical investments in social sectors. This could have long-term implications for the country's development trajectory. As the United Nations Development Programme (UNDP) warns, countries that prioritise military spending at the expense of education, health, and social protection often experience slower economic growth, higher inequality, and prolonged instability. However, there are opportunities for Nigeria to reverse this trend by fighting insecurity on all sectors.

5. Summary of Findings

The data indicate that Nigeria's response to insecurity of lives and property has necessitated significant defence spending, which has, in turn, constrained investments in essential social services. However, this reallocation poses risks to long-term development, as underfunded education and health sectors have led to a less educated and less healthy workforce, perpetuating cycles of poverty and instability. The increase in multi-dimensional poverty across the country, with an increased child mortality rate, internally displaced population, and reduced standard of living and propensity to live, showcases the adverse effect of the protracted insecurity in the North and the reallocation of funds effect. Comparatively, the experience of other nations facing protracted conflicts suggests that without a balanced approach that addresses both security and social needs, achieving sustainable peace and development remains challenging.

Conclusion

The frailty of Nigeria's polity and economy is based on cumulative factors and stressors that have either been swept under the rug or partially rectified, which in the fourth republic now creates a sporadic and colossal effect on all other sectors. This is what has caused, over the last decade, Nigeria to continue its reactive dance to the tune of insecurity in Northern Nigeria, which has profoundly impacted public finance, compelling the government to allocate substantial resources to defence at

the expense of social sectors. This problem indicates the fragile nature of Nigerian political and socioeconomic conditions, which makes events affect the overall national economy.

Recommendations

The structural issue of Nigeria's porous borders has been superficially addressed by successive governments. For over 60 years, Nigeria has lacked a concrete and sustainable plan for border demarcation and security. Despite the serious threats posed by porous borders, they have not received the level of security attention they urgently require. This research recommends that addressing Nigeria's insecurity must begin with a comprehensive review and the adoption of an integrated approach to border management and security. Therefore, a specialised institutional framework should be developed under military oversight, designed specifically for border control, similar to the U.S. Border Patrol. This body would function as an independent and well-structured border force, distinct from the existing Customs and Immigration Services, which are primarily focused on revenue generation and minimal border enforcement. By establishing a dedicated and well-equipped border protection unit, Nigeria can enhance border security and reduce the infiltration of criminal elements, thus contributing significantly to addressing the country's broader insecurity challenges.

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