

## The impact of Boko Haram threat on economic activities in Cameroon: perceptions of people in Yaoundé

Maxwell Peprah Opoku<sup>a</sup>, Bernard Nsaidzedze Sakah<sup>b</sup> and Beatrice Atim Alupo<sup>b</sup>

<sup>a</sup>Faculty of Education, University of Tasmania, Launceston, Australia; <sup>b</sup>Institute of Humanities, Governance and Social Sciences, Pan African University, Soa-Yaounde, Cameroon

### ABSTRACT

Terrorist activities impact on the rights of people as they undermine the ability of people to enjoy their right to life, liberty and fundamental freedoms. In addition to the human cost, the activities of terrorists can destabilize governments, peace, security and economic activities. Therefore, this study explores the impact of threat of attacks from Boko Haram on economic activities – exploring current realities in Yaoundé, the capital of Cameroon. The study was a cross-sectional design which collected data using interviews to explore the impact of terrorism on economic activities in Yaoundé. In all, convenience sampling was used to recruit 51 participants. The result of the study found that economic activities have been affected due to perceived increase in taxes, low production and restriction in the transportation of some goods, early close down of shops, limited customer activities due to fear and rampant security checks. It is therefore embedded on government to institutionalize measures such as making conscious efforts to develop the Extreme North so as to bring the region at par with other parts of the country in order to curtail terrorist activities in Cameroon.

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## Introduction

Violent tactics have been adopted throughout human history to oppose kings, states and policies. These approaches were adopted against state officials and even the standing army (Chaliand & Blin, 2007; United Nations High Commission of Human Rights [UNCHR], 2007). However, in the twenty-first century, opposition to states has targeted civilians with the aim of causing panic among the entire population (Piazza, 2011). The activities of terrorist organizations follow the pattern of kidnapping, bombing, assassination, downing aeroplanes and train attacks, hijacking as well as the most commonly used method of suicide bombings (Neuman, 2008; Sandler & Enders, 2005). Most often, the human cost of terrorist activities is overwhelming which instils fear in large segments of the population (Neuman, 2008). Due to the devastating effects, it has been the priority of government to put in place mechanisms towards tackling this menace (Chaliand & Blin, 2007; UNCHR, 2007). Therefore, the use of diplomacy, negotiation, military and law enforcement has become the main tool used by the state to help combat terrorism.

Terrorist activities have been on the increase over the years (Abadie, 2004; Ezcurra & Palacios, 2016; Goldstein, 2005). Since 2001, the activities of terrorist organizations have gained currency in global political discourse (Sandler & Enders, 2005). For instance, Chaliand and Blin (2007) observed that terrorist activities have increased from 10 attacks per week between 1975 and 1984 to 10 attacks a day worldwide. Between 1974 and 2004, 112 countries have suffered terrorist attacks with the Middle East being the most affected. Between 2001 and 2005, a total of 4995 were recorded worldwide. In 2006, the figure rose to 6659. On casualties, Rand Corporation reported that a total of 4873 people were killed in America and Europe. In US 3000 deaths were recorded; Russia and Eastern Europe had a share of 1452 and 251 deaths occurred in Western Europe (Chaliand & Blin, 2007). Sub-Saharan African has been described as the region where countries are highly at risk of terrorist activities due to lack of technology. However, attacks in the region have been limited to mainly Nigeria, Mali, Kenya and Somalia (Aon's Guide, 2015; Mantzikus, 2014).

On rationale for terrorist attacks, most scholars have concluded that the high incidence of terrorism is due to poverty and economic discontent (Krieger & Meierrieks, 2015). Interplay of factors such as economic, political and societal problems mainly account for the dominance of terrorism globally (Krugger & Maleckova, 2003; Ozeren, Gunes, & Al-Badayne, 2007; Piazza, 2007). Abadie (2004, p. 57) argues that 'when poverty is accompanied by certain enabling factors, terrorism might indeed arise and flourish.' After the 9/11 attack in the US, world leaders were convinced that one way to end terrorism is to fight poverty worldwide (Krieger & Meierrieks, 2015). Abadie (2004) concludes that if a well-off person see his or her race being subjugated, they are likely to be encouraged to revenge not because of his or her situation but for the common good. In a study, Berrebi (2007) reports that most suicide bombers from Middle East, especially, Palestine, were not from poor homes but their main pre-occupation is to fight for their tribesmen. Similarly, Goldstein (2005) reports in North-Eastern India that poverty and deplorable living conditions of people led to the formation of Mizo National Front which for over 20 years terrorized people in the region.

Terrorism and unequal distribution of wealth are intricately linked together as the former become a political tool for a group to use to press home their needs (Ezcurra & Palacios, 2016; Goldstein, 2005; Krugger & Maleckova, 2003). Both economic and political inclusion is based on trust in an established national and prosperous economic system that takes into consideration the needs of all (Ozeren et al., 2007). However, in societies where the gap between the rich and poor is very wide, some 'political entrepreneurs' – through corruption, lobbying and monopolized media – could offer support to disgruntled groups to rise up against the state (Ezcurra & Palacios, 2016; Krugger & Maleckova, 2003; Piazza, 2011). According to Berrebi (2007), inequality among citizens is a likely cause of terrorism. The theory of blowback supports the thesis that exploitation and unfair distribution of resources explain the spate of transnational attacks being witnessed today (Krugger & Maleckova, 2003; Piazza, 2007). This is supported by the relative deprivation theory which concluded that people engaging in political violence are mainly showing their anger or venting their frustration about long-term deprivation denied them by leaders (Ozeren et al., 2007). Hence, political violence is a clear demonstration of discontent of malign people who have been made to endure hardship in the face of abundant resources. The powerless are likely to resort to the use of arms to voice-out their disapproval of

the status-quo. Piazza (2007) is of the view that welfare policies in Western countries were formulated due to civil unrest and political violence against states.

Terrorist activities impact on the rights of people as they undermine the ability of people to enjoy their right to life, liberty and fundamental freedoms (Sandler & Enders, 2005). In addition to the human cost, the activities of terrorists can destabilize governments, peace, security and economic activities. For instance, the attack of the world trade centre in 2001 is believed to have cost US\$80 to US\$90 billion due to compensation and fall in trading activities (Sandler & Enders, 2005). Similarly, Hyder, Akram, and Padda (2015) found in Pakistan that the consequences of terrorist activities manifest in terms of the destruction of lives and properties and a direct economic cost. Not only that the results of terrorist activist have an impact on Foreign Direct Investment, damage to infrastructure, high investment in defence funding and limiting trading activities. The emergence of terrorist activities can have repercussions on even neighbouring countries as it affects investor confidence in the entire region (Campos & Gassebenr, 2009; Hyder et al., 2015; Lutz & Lutz, 2014).

Act of terrorism or even threat result in reduction in business activities due to strict security measures (Lutz & Lutz, 2014). For example, Austria, Spain and Italy lost over US \$ 4 billion in the 1980s due to terrorism (Sandler & Enders, 2005). Insurance companies for fear of high risk of mass destruction of properties, increases premiums astronomically which impedes the ability of emerging companies to subscribe (Goldstein, 2005; Krieger & Meierrieks, 2015). This may increase the cost of doing business in countries at risk of attacks (Aon's Guide, 2015). In Yemen, the attack on USS Cole and Limburg resulted in insurance companies increasing premiums to 300%. This caused many companies to relocate to Djibouti (Sandler & Enders, 2005). Although Boko Haram has succeeded in attacking the Far North of Cameroon, it is possible that threats of attacks and stringent security measures might be having negative economic impacts in Yaounde which is likely to be one of the safe havens for people fleeing the battle ground.

### *Boko Haram in Sub-Saharan Africa*

Economic growth in Africa has not translated into the living standards of majority of people in Africa (African Development Bank, 2012). Development in Africa is uneven as resources are concentrated in few areas at the detriment of many others. (Alozieuwa, n.d.; York, 2014). In South Africa, the poverty gap between white and black explains high rate of crime and insecurity in black dominated areas in the country. In Angola, the story is no different with only 9% of Luandans having access to running water despite 11% annual growth rate and 10% budget surplus in 2011 (Westhuizen, 2012). In Nigeria, York (2014) stated that 61% of the population lives in abject poverty. The unemployment rate has more than quadrupled between 2006 and 2012. The unemployment rate has increased from 5.8% in 2006 to 23.9% in 2012 (Alozieuwa, n.d.). Over 112 million Nigerians consistently have limited access to food, water, shelter, access to education and healthcare while only a privileged few are amassing wealth (York, 2014).

Poverty is a major threat to national security to every country (Berrebi, 2007) and the emergence of Boko Haram in Northern Nigeria gives credence to this assertion. The widening gap between the rich and the poor in Nigeria has been capitalized on by Boko Haram as they bait innocent unemployed young ones to join the fight to achieve a caliphate in

the North (Mantzikus, 2014; Owolade, n.d.; Shuaibu, Salleh, & Shehu, 2015). The social structure has made it possible for few people to amass wealth and living opulent lifestyles while the masses wallow in poverty (African Development Bank, 2012). Deprivation caused by systemic alienation has been the case between the North and South dichotomy in Nigeria (Shuaibu et al., 2015). The incident rate of poverty in Northern Nigeria is 70% compared to 34% in the South (York, 2014).

The existence of inequality and underdevelopment explains the high level of societal problems (Mantzikus, 2014). The deep seated marginalization and 'perceived' unfair distribution of the national cake explains the radicalization of the youth in especially Northern Nigeria (Shuaibu et al., 2015). Frustrated and hopeless people who have been alienated by the state turn to their religion in search of alternative means of survival (Alozieuwa, n.d.; Owolade, n.d.). The inability of people to meet their daily needs explains the frustration and aggression demonstrated by Boko Haram in the past six years (York, 2014). In an analysis, Krieger and Meierrieks (2015) concludes that if citizens of a country are deprived of access to reasonable economic opportunities, they will become hopeless and enraged and may view political violence as an acceptable means for redressing their grievances. Since 2009, Boko Haram has attracted media attention due to the ruthlessness in massacring of civilians in especially Northern Nigeria (Mantzikus, 2014). The group has staged attacks against government officials, police, military, mosques, churches and schools causing massive destruction to lives and properties (Luntumbue, 2015). From 2009 to 2014, over 13,000 people had been killed in only Nigeria. In January 2014, the group staged one of the deadliest attacks when they killed over 2000 people in villages around Lake Chad (Mark, 2015; Ogunlesi, 2014).

Boko Haram is now making incursions in neighbouring countries such as Chad, Cameroon and Niger. The participation of neighbouring countries in a joint regional military approach to fight the group has intensified the risk of attacks in these respective countries (Mantzikus, 2014). In these neighbouring countries, over 265,000 children have been rendered homeless and a death toll of over 1000. Cameroon has suffered a lot of attacks from Boko Haram to its Extreme North Region especially, after contributing military to fight the group (Mantzikus, 2014). In July 2015, a total of 50 people were killed in a market in Northern town of Maroua (The Guardian, 2015). On 4 September 2015, 30 people were killed in another market in Northern Cameroon (Chimtom & Botelho, 2015). This has created panic across the country with stringent security measures put in place to revert attacks. It is unknown whether economic activities in Yaoundé have been affected due to the threat posed by Boko Haram. Therefore, the study aims to investigate from the perspective of persons in the city whether this phenomenon has had impacts on their activities.

## Materials and method

### *Study design and type*

The study was a cross-sectional design which adopted qualitative method of data collection. The study intended to explore the economic impact of threat posed by the activities of Boko Haram in Yaoundé. The design was ideal because it offered a broader scope for participants so as to get insight and understanding of the effects of terrorism on businesses in Yaoundé. The design enabled the researchers to recruit various participants

who shared their experiences and narrated how the threat of terrorist attacks has impacted on economic activities in Yaoundé.

### *Study area*

The study area for this paper was Yaoundé, the political capital of Cameroon where participants were recruited. Yaounde has an estimated population of 1.2 million and most economic activities in the city revolve around administration, civil and diplomatic services. The researchers staged the study in Yaoundé due to its strategic location, that is, centre of Cameroon with a lot of economic opportunities and political importance of the city for administration. The persistent terrorist activities in the Far North of Cameroon have forced many youths to flee to cities, with Yaoundé likely to be one of their preferred destinations. The distance from Yaoundé to Maroua which is the capital of the Far North is about 1153.1 kilometres and the distance from Yaoundé to Maiduguri which is the capital of Borno State in North-Eastern Nigeria where activities of Boko Haram is intense is 1268 kilometres. Also, the distance from Maroua to Maiduguri is 219.8 kilometres. The city is located at the centre of Cameroon so the researchers wanted to assess the impact of terrorists' activities in the Far North at the centre so as to present the voices of people to policy-makers.

### *Target population and sampling*

The researchers conveniently targeted participants from four main places, that is, the two main public university campuses in the city, the main city commercial centre, two main markets (Mokolo and CamAir markets) and the Mvan transport station. In these areas, the researchers pasted notices that were in both French and Pidgin English languages at vantage points at the designated areas-informing the public about the intended study. On the day of data collection, participants who confirmed reading the notice and were willing to participate were recruited to take part in the study.

Table 1 summarizes the demographic characteristics of participants who took part in the study. In relation to category of participants recruited for the study, nearly 20% were traders while less than 10% were banking officials. Out of this, over 50% were males. On age, most participants (37.2%) were between 31 and 40 years compared to 7.8% who were between 51 and 60 years. The mean age of study participants was 36.7 years. With regard to years of staying in the study area, most participants (25.5%) have stayed in the area for 6–10 years while 5.9% had stayed in the area for 21–25 years. In relation to educational status, several participants (29.4%) had first degree while only 9.8% had never been to school.

### *Method of data collection*

A semi-structured interview guide was developed for the data collection. Face to face discussions were organized to gather first-hand information from the participants. The discussions were moderated by the researchers as participants responded to issues or questions raised during the interviewing. The interviews were recorded with permission from respondents after the objective of the study has been explained to them. Most

**Table 1.** Characteristics of participants.

Variable	Frequency (n = 51)	Percentage (%)
Study participants		
Traders	10	19.6
Students	8	15.7
Security men	6	11.8
Businessmen/woman	11	21.6
Commercial drivers	5	9.8
Banking staff	4	7.8
Lecturers	7	13.7
Gender		
Male	29	56.9
Female	22	43.1
Age		
21–30	15	29.4
31–40	19	37.2
41–50	13	25.5
51–60	4	7.8
<b>Mean</b>	<b>36.7</b>	
Years of living in Yaoundé		
Since birth	7	13.7
1–5	13	25.5
6–10	8	15.7
11–15	9	17.6
16–20	6	11.8
21–25	3	5.9
26–30	5	9.8
Education level		
No education	5	9.8
Primary	7	13.7
Secondary	4	7.8
Diploma	11	21.6
Degree	15	29.4
Postgraduate	9	17.6

questions were open-ended which allowed respondents to discuss their views and experiences in detail. Much attention was given to variables such as background characteristics, nature of business, experiences with Boko Haram threat and how this has affected economic activities. Although the interview guide was in English, participants of the study were allowed to speak either in French or Pidgin English when they were unable to speak English. This was carefully translated into English during the transcription by the researchers with additional services from a translator.

### *Data management and analysis*

The audio-recorded interviews were transcribed verbatim by researchers who are proficient in both English and French. The researchers listened to the audio recording several times to ensure accuracy. The researcher read the transcription several times in order to be able to augment the difference that may occur. In the process of reading through the transcripts, a list of concepts and meanings were generated and relationships were established among the concepts. The data were categorized based on the objective of the study and evolving quotes were grouped into categories to form themes and sub-themes. Identical quotes were pulled together and the data were analysed by performing content analysis.

## **Ethical considerations**

The researchers moved with a letter of introduction from Institute of Governance, Humanities and Social Sciences, Pan African University, to avoid suspicion before commencing discussions. Due to sensitivity of the topic, most participants wanted to be sure of who they were speaking to so having the introduction letter enabled participants to confidently take part in the study without fear of future implications. Also, the identity of participants was kept anonymous throughout the study. The objectives of the study were explained to participants who were made to sign written informed consent before being part of the study. Participation in the study was voluntary and participants were free to withdraw at any point in time.

## **Findings**

### ***Presence of Boko Haram***

Participants were asked whether they have knowledge about the presence and activities of Boko Haram in Cameroon. All participants mentioned that they have heard about the activities of Boko Haram in the Extreme North of the country and persistent rumours of their intention to attack other parts of the country especially in the capital. Participants were of the view that Boko Haram members are capable of attacking any part of the country due to how they operate in neighbouring Nigeria. Some participants shared their experience as follows:

Yes, there is Boko Haram in Cameroon. You can see in the North there is a lot of insecurity and they have targeted other places too. We are also alert and ready to handle them so that their activities don't spread to other parts of the country. We are aware of their threat and doing everything to contain them. (Security Officer 4)

Yes, Boko Haram is all over. I have heard about what they have been doing in the North. We are being informed through newspapers, radio and television. So we are aware of their presence in this country. I have been cautious and do make sure I am safe wherever I go. (Student 2)

They are in the north and they can come to Yaoundé. I do caution my children not to deal with strangers since they use them to attack markets and mosques in the north. They are capable of attacking us because they were only in northern Nigeria but now they strike everywhere they want. (Trader 4)

Despite their presence in the north and threat to other parts of the country, other participants were of the view that they cannot strike in the capital. They discussed the massive deployment of security personnel who were patrolling everywhere in the city all the time.

I don't think they can attack Yaoundé. Their activities are limited to the North due to its proximity to North-eastern Nigeria. I believe Boko Haram can only come down here if the government starts using provocative words against them. (Driver 3)

The military is there and I'm highly convinced that they can't come here. And I believe our military and they have been on alert to handle them. Yaoundé is safe for now due to the measures put in place to control them. (Lecturer 4)

Yaoundé has been heavily fortified and security is very high and tight in all institutions. For instance, sensitive places like universities, banks, ministries and even markets are heavily

protected. The military and police are working hard so I doubt whether they can reach the capital. (Businessperson 1)

Some other participants explained that Boko Haram is gaining ground in the north due to rejection and high rate of poverty in the area. It emerged that the area is underdeveloped without communication and access routes to reach there so that is why the situation has become difficult to contain. Some participants summarized as follows:

The fact is that Boko Haram is able to operate in the North due to the underdevelopment of the area. The North is a 'forgotten' area with very bad road network system. It is recently that some areas in the North had police and military posts. Our leaders have caused this problem. (Lecturer 1)

I think Boko Haram has gained grounds in the North and threatening our peace because of poverty. It is important for our government to invest and improve the living standards of the population so as to prevent many youths who are unemployed from joining the group. We can count ourselves lucky that Boko Haram doesn't have the type of money ISIS has. (Student 4)

### *Impacts on economic activities*

Participants were led to discuss the impact of the threat of Boko Haram on economic activities as well as the extent to which they have been affected. As summarized in Table 2, most participants agreed that the threat by the terrorist group has impacted on economic activities in the country. It came out that some taxes have been increased, restriction in transportation of some goods, reduction in profit, fear and reduced customer activities which have emerged due to Boko Haram threat.

### *Increase in taxes*

Most participants especially traders, businesspersons as well as both public and civil servants disclosed that there have been increase in some taxes to enable the government to generate extra funds for the fight against Boko Haram. Some participants shared their experiences on this issue as follows:

Now I pay more taxes to the state. They have introduced additional taxes for us to pay to help the government support the military to fight Boko Haram. It is a flat rate given to us to pay monthly to support the military. Although it is a good thing but it is affecting businesses. For instance, most imported commodities such as cosmetics, pharmaceuticals, rice and vegetable oils have witnessed such tax increment. (Businessperson 3)

Since government spends more on security, it has affected the economy so additional taxes have been introduced. Both businesspersons and civil servants are contributing monthly to

**Table 2.** Distribution of responses.

Category	Frequency (n = 51)	Percentage (%)
Increase in taxes	28	55
Low production	22	43
Restriction in transportation of goods	35	67
Early close down	31	61
Fear and reduced customer activity	27	53



support the state fight Boko Haram. It is an initiative by the state to enable people show their patriotism toward their country and that is why we are all paying something small to the state. As you can see, everyone has been affected by what is happening. (Lecturer 3)

I pay more taxes on drugs I import. It wasn't like that. They have intensified checks at the borders and I always have to pay huge sums of money before I'm allowed to bring my goods. Not only that, I have to make further contribution to the state as a way of supporting the state generate money for the war. In fact, there is a special account that government has opened to receive and accumulate such donations before onward transmission to the military fighting on ground. (Businessperson 2)

Due to additional taxes imposed on businessmen, they passed the cost to consumers to pay. This has led to high prices of goods. One businessperson said that he has no option than to increase prices of goods to enable him sustain his business. In essence, much burden will be on the ordinary citizen who has to pay more for goods and services.

### *Low production and restrictions in transportation of goods*

Several participants mentioned that they have been unable to get regular supply of goods from the North to the capital. According to discussions with participants, the North noted for production and supply of some commodities such as onions, groundnuts and soya bean oil has been witnessing a tremendous challenge of transporting them to the capital due to security restrictions making it difficult for both traders and customers/consumers down South of the country to meet up with their demand for such goods. Participants discussed as follows:

We are unable to get regular supply of goods due to the insecurity in the north. We depend on them for goods but since Boko Haram started attacking the area, they have reduced production which is also affecting us here in the Centre Region. (Trader 3)

I mostly sell onion, groundnuts and oil, most of which come from the North, but due to increasing insecurity there, I don't get sufficient supply from there. Also, most of my onions arrive here in bad condition due to so many military checks on the road. They search for guns and other weapons often suspected to be hidden and transported alongside consumer goods, so at each point all the goods have to come down for them to check. This destruction of storage bags leads to wastage of the onions as some get bad even before they reach the market. (Trader 9)

Restriction in the movement of goods has thus led to increased prices for concerned products especially from the North as well similar goods from other parts of Cameroon since generally their supply has been seriously limited. Some participants discussed that prices of goods in the market were higher because of limited supplies from the North. Some participants shared their experiences as follows:

We sell at higher prices to cover our losses. It is difficult for the goods to get to us. We spend a lot on transportation since most drivers don't want to risk their lives. Travelling to the North is risky at the moment. (Trader 3)

Some goods such as onion have been very expensive and even groundnuts too since they come mostly from the North. The expensive nature of onion for example is more than it had ever been before. The farmers in the North are not producing as they used to do so it is affecting our business. (Trader 7)

I am seriously feeling the impact because things are very expensive in the market now. For example, onions, garlic and other goods that were cheap are costing much currently. The restriction in movement of goods is really affecting everyone. (Student 5)

Not only goods from the north that cannot get to the capital, but there are also other goods from Nigeria. This according to participants has led to increase in prices of goods.

My expenditure as a student and a woman has increased due to increased prices on consumer goods. We mostly import from Nigeria but since Boko Haram started operating in the north businesspersons face a big challenge in buying from there. The prices of goods are going up each and every day. (Student 1)

The truth is that goods are very expensive. Consumers have to pay more for basic goods. We pay high import duties and taxes so I also have to increase my prices in order to (continue to grow) sustain this business. The security checks are so intensive everywhere making it difficult to transport goods. (Businessperson 3)

It emerged that people who hail from the North, especially students have also been affected by the insecurity in the region. Their purchasing power has reduced as their parents who were mostly farmers have been unable to produce and transport goods to the capital as they used to do. This has limited the ability of parents to send money to their children who were studying in the capital. Some participants' especially from money transfer agencies discussed as follows:

The parents are sending less money to the students. I handle both sending and receiving money and I have noticed that money sent from the North to students has reduced. At first, it was a bit regular but it has reduced significantly. I'm sure the security crises might have affected family income and their ability to provide for their children. (Banking Staff 2)

We don't receive so much money from home. My parents are unable to work as they used to because of curfew and a lot of restrictions in the North. It's true we can't buy as we used to do in the past. Everyone has been affected by terrorist activities. (Student 7)

It emerged that the insecurity in the north has affected production of goods as farmers are unable to satisfy consumer demands. This has resulted in consumers paying more for goods in the markets.

### ***Early close down***

Most participants discussed that the insecurity in the capital city limited their ability to operate after certain hours. It came out through discussions that most people leave town early so businesses are also forced to shut down. Others also mentioned that security personnel have informed them not to operate deep into the night which is a precautionary measure aimed at protecting citizens. Participants discussed as follows:

I cannot operate beyond certain hours especially when people leave town early so I also close early. Nowadays, you can only find few people outside after 9pm. It makes no sense to continue selling. I close early which wasn't the case at first where I could sell up to midnight. (Businessperson 6)

I think people are being cautious on the time they return home early. I have been affected because most people won't come out to buy due to fear and security patrols which usually scare people. I'm not the only one affected but all others selling on the street. (Trader 10)

The police have told us not to sell late in the night. They used to come to me to close down after 10pm so I have made it a point not to go beyond the time I have been given. I don't want to disobey them since they are working to protect us. (Businessperson 7)

As a result of reduction in time of operation, most participants especially businessmen and traders discussed that their profits have been affected. Most mentioned that they have seen significant reductions in their earning. Some narrated as follows:

My daily income has reduced tremendously since the threats began. At first, I was closing very late and that is when most students buy a lot but now things have changed. I can't make enough as I used to and it is a major concern for us all. (Businessperson 4)

My profits have reduced since goods are very expensive of late. Besides, we are not allowed to sell late in the night. I get lesser daily which isn't good for business activities. At first, I usually made a 100,000 (about US\$ 200) a day but now I hardly make up to 25,000 (about US\$40). (Trader 4)

Insecurity has led to people leaving town early so businesses are making losses because they are unable to be operated deep into the night.

### *Fear and reduced customer activities*

Participants discussed that the threat has put so much fear in them restricting their activities. In the same way, most businessmen and traders confirmed that fear of attack in the capital has reduced customer activities, thus, affecting economic activities. The following quotes summarized the experience of participants:

Many people are now afraid of going to the market regularly as before. Psychological fear limits the ability of people to move to town to buy goods. Mostly Boko Haram targets markets so for fear of suicide bombers, people stay home and try to manage the little they can buy. (Trader 5)

Going to the market is risky lately. You don't know who is coming there and even what the person close to you is carrying whether there is bomb or gun. It is a scary situation so I buy as quickly as possible and leave the market. I don't stay in town for long. (Banking staff 1)

Purchasing power has reduced due to fears of insecurity. As you see me here, I am afraid. But because we have to survive that is why I am here selling. Everyone is afraid but we are only praying to God to protect us. People are not coming to the market as before because of fear and heavy security presence all over the city. (Trader 1)

Since markets and other populated areas are usually targeted by terrorists, people are mindful of spending much time in such places.

## **Discussion**

The aim of this qualitative study was to assess the impact of terrorism on economic activities in Yaoundé which is the centre and capital of Cameroon. The study recruited participants from markets, lorry parks, university communities and small scale businesses. The result of the study revealed that economic activities have been affected by threat of terrorist attacks in the capital. The study found that economic activities have been impacted due to increased taxes to enable the state generate income to fight Boko Haram, restriction in transportation of basic goods which has led to increased prices, force close down of

shops which has reduced income of both traders and businesses as well as fear resulting in reduced customer activities. The results of the study corroborate results of other studies on effects of terrorism on economies (Campos & Gassebenr, 2009; Lutz & Lutz, 2014; Sandler & Enders, 2005; Shuaibu et al., 2015). These studies found that terrorism negatively affects economic activities as business activities slow down due to threat of attacks and insecurity.

Terrorist acts are mostly committed by radicalized youth who feel that leadership or society for that matter has been unfair to them due to discrimination, exclusion and marginalization resulting in mass poverty and unemployment among the young job seekers. Therefore, the only way for them to make their voices heard is to organize themselves and cause harm to the state in order to draw the world's attention. In so doing, they usually stage attacks on ordinary civilians so as to prosecute their agenda. This seems to be the rationale behind the rise of Boko Haram in Nigeria as the people in the North feel rejected by the state which led others to capitalize on the situation and destabilize the region (Alozieuwa, n.d.). Similarly, the ability of the group to attack the extreme North of Cameroon might be due to the deplorable conditions the people in the region find themselves. The region lacks basic facilities to enable the state effectively control its borders, thus allowing free and unrestricted border crossings. Marginalization of the area in terms of development has enabled Boko Haram to have a sanctuary where they are able to push through their agenda. Consequently, their ability to do so has become a major burden for other regions in Cameroon who lives in fear with the rampant attacks by Boko Haram in its Far North region. This corroborates studies by Berrebi (2007), Goldstein (2005), Krieger and Meierrieks (2015) and Krugger and Maleckova (2003) who found economic marginalization as breeding grounds for the birth of terrorism.

Terrorist activities or even threat of attack leaves countries no option than to put in place stringent security measures to quell the threat posed by such groups. It was expected that the government of Cameroon will be up to the task by deploying additional security men across the country. This is especially when Boko Haram has continuously attacked its Far North region that borders North-Eastern Nigeria. Since the Far North of Cameroon lacks behind in terms of socio-economic development, it is possible that the government will make efforts to invest additional resources to make the area more conducive for troops and security men deployed to battle the group. The Cameroon Daily Journal (2015) reported in November 2015 that the government has officially imposed Sales Tax on telecommunication companies, all industries, small and medium scale businesses, to help raise money purposely to fight Boko Haram. However, this may leave businesses and traders no other option than to increase prices of goods while reducing the purchasing power of ordinary citizens. These findings agree with studies by Lutz and Lutz (2014) and Chaliand and Blin (2007) who posited that terrorism prompts increase of taxes which in effect affect doing business in such countries.

In most developing countries, majority of people are farmers who cultivate for consumption and domestic markets. Due to disparities in soil fertility, other regions are likely to depend on farming communities for regular supply of food for the local market. Thus, in the event of instability, farmers may be unlikely to produce as they may be unable to cultivate due to safety measures and insecurity in their areas. In so doing, traders and consumers who rely on them for food will be left with no option than to pay more for the few that are available in the market. Therefore, since farmers in the North are unable to produce as expected, market women are unable to get

regular supply of foodstuff for sale. This has led to consumers bearing the blunt by paying more for goods as a result of limited supply. It was therefore expected that traders will sell crops at high cost due to insecurity at the source of supply. This finding is consistent with studies by Hyder et al. (2015), Owolade (n.d.) and Shuaibu et al. (2015) who discussed that terrorism affects production leading to increase in cost of goods.

The insecurity and possibility of attacks have instilled fear in the general populace. Thus, in efforts to have control over the security condition, most businesses endeavoured to close early as a precautionary measure. This largely affects business activities as both consumers and business operators will in one way or the other be affected. For instance, whiles, customers might be unable to get some services, business operators might be unable to generate income as they used to be due to restrictions on customer activities. This will probably affect the economic activities. Therefore, it was highly expected that businessmen and traders will experience sharp decline in daily sales. The finding of the study validates with other studies which found that insecurity and fear which come about due to terrorism slow down business activities in affected countries (Chaliand & Blin, 2007; Lutz & Lutz, 2014).

### Policy implications

The results of the study revealed that economic activities have been affected by the threat posed by Boko Haram. This manifested itself through increase in taxes, low production and restriction in transportation of goods, low customer activities due to fear and early close down of shops for security reasons. There is therefore the need for measures to be put in place so as to salvage the economy whiles reducing hardship which has come about as a result of threat of terrorism. Firstly, the increase in taxes must not be the solution for the government to generate income for the war as businesses are likely to pass cost to consumers. This will increase burden of ordinary citizens who are already distressed due to high poverty levels in Cameroon. The government could generate additional funds to sustain the fight against Boko Haram by drastically reducing operational budgets of ministries while concurrently increasing budget of the Ministry of Defence as has been observed in the currently proposed 2016 national budget of Cameroon.

Secondly, continuous reinforcement of security is needed in the North in order to guarantee the people adequate security so that they can carry out their normal activities and production. Also, it is important for security personnel in the north to check goods before they are loaded in trucks than mid-way offloading which largely affects some products like onions, garlicks, ground nuts and tomatoes. Hence, it is important that checks are done at source of loading into trucks to help preserve most products. Fourthly, there is the need for adequate security in markets and vital installations within the city to help allay the fears of citizens to enable them normally carry on their daily activities. The security personnel and vigilante groups should be provided with modern technological tools to enable them carry out surveillance within the city. This will bolster the confidence of people as well as enabling them to transact business without fear or favour. In addition, the government of Cameroon should urgently consider increasing appropriate investments and development of the Extreme North in order to bring the region at par with other regions in the country. Also, the government should create an enabling environment as well as motivation of entrepreneurs who will support job creation in the country. This would provide

the opportunity for most youth to have access to jobs thereby curbing youth vulnerability to radicalization and extremism while consequently preventing future acts of rebellion through joining terrorism against the state.

## Conclusion

The study documented the impacts of terrorism on economic activities in Yaoundé. The results of the study revealed that economic activities have been affected negatively due to threat of attack from Boko Haram. The study found that some taxes have been increased, low production of agricultural goods coupled with restrictions in transportation of goods from the Northern regions, early close down of shops and fear affecting customer activities which has adversely affected daily income of traders and businesses. It is evident that the threat of attack posed by Boko Haram is having effects on the economy. From the outlook, ordinary citizens will continue to suffer the consequences should the government not make efforts to arrest the situation. For instance, the government should quash the taxes imposed on goods and businesses as it is ordinary citizens who are shouldering such burden. In essence, the government should increase budget of the defence by reducing operational budgets allocated to some ministries including the presidency. Secondly, there is the need for steady reinforcement of troops to the Extreme North of the country so as to guarantee the security of people in order for them to continue their farming as well as other economic activities. There is the need for regular education of the people and awareness campaigns among the people on the consequences of terrorism on their lives, families and country as a whole. This could motivate the people to help shun hoodlums who try to foment trouble in the country. In conclusion, it will be beneficial if future studies be conducted in the Extreme North which has been battle ground for terrorism and ascertain the magnitude of the impact in the lives of people directly plagued by the terrorist activities.

## Disclosure statement

No potential conflict of interest was reported by the authors.

## Notes on contributors

**Maxwell Peprah Opoku** is a Ghanaian by birth who was born at Mampong in the Ashanti region of Ghana. He started his early education at his place of birth before moving to Kumasi for his first degree in Political Science from Kwame Nkrumah University of Science and Technology. After serving a year as Teaching and Research Assistant, he developed interest in disability which influenced his decision to enroll in Disability, Rehabilitation and Development for his second degree from this same university. He was appointed as Graduate Teaching Assistant at the Centre of Disability Studies, Department of Community Health while pursuing his Master degree. His area of specialty is disability, special education, community-based rehabilitation, inclusive education, health research, management of natural resources, human rights, social policies and public policy. Maxwell is currently doing his PhD at University of Tasmania, Australia.

**Bernard Nsaidzedze Sakah** is a Cameroonian who holds MSc in Governance and Regional Integration from Pan African University and BSc in Sociology and Anthropology from University of Buea – all from Cameroon. He is a young researcher whose interest cuts across domains such as

governance, education, human rights and education. Saka has served as volunteer with many NGOs and he is currently the Managing Director of Big Steps Outreach Network – Cameroon.

**Beatrice Atim Alupo** is Ugandan by birth, born on 25 May 1986 at Akubui in Mukura, Ngora district. She holds a first degree in International Business from Makerere University. She started working as a receptionist at City Royal Resort Hotel after her second year during her first degree and was later promoted to a marketing executive upon completion where she worked for 9 months and joined the Ministry of Trade Industry and Cooperatives as an Intern/Trainee for 10 months. It was during the internship that she developed interests on trade-related issues which encouraged her to pursue MA in International Trade Policy and Law from Uganda Martyrs University. Upon completion of her MA, she was recalled by City Royal Resort Hotel to work as a marketing and reservation manager, where she worked for 2 years before joining the Institute of Governance, Humanities and Social Science, Pan African University, Soa, Yaounde in Cameroon to pursue M.Sc. Governance and Regional Integration. Her areas of interest are trade, regional integration, public relations, human rights, marketing, management and social research.

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