

FALL OUT OF ETHNIC AGITATIONS ON ECONOMIC DEVELOPMENT OF SOUTH EAST NIGERIA

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Abstract: Nigeria has continued to face separatist agitations over time with dire consequences. This study examined the fallout of these ethnic agitations on economic development in South East Nigeria. The specific objectives of the study included determining the effect of ethnic agitations on foreign direct investment in South East, Nigeria; ascertaining the impact of ethnic agitations on the level of infrastructural development in South East, Nigeria; and examining the impact of ethnic agitations on human capital flight in South East Nigeria. The study chose three states Enugu, Abia, and Imo with a population of 11,641,017. The sample size obtained through Taro Yamani's statistical formula was 400. The study employed a descriptive survey design. The data were analyzed through the use of mean score while the Chi-square test technique was applied in the test of hypotheses. The findings showed that ethnic agitations have a significant effect on foreign direct investment in South East, Nigeria; it was discovered that ethnic agitations do have a significant effect on the level of infrastructural development in South East, Nigeria; and that the result indicated that ethnic agitations have a significant effect on human capital flight in South East Nigeria. The study concluded that the impact of ethnic agitations on the economic development of South East Nigeria is substantial. Ethnic tensions create an environment of uncertainty and instability, deterring foreign direct investment, hindering infrastructural development, and driving human capital flight from the region. The study recommended among others that to attract foreign direct investment (FDI) and other development strides, the government should inculcate fairness, justice, and equity into our political and administrative system to promote peace and stability, reassure investors, and create a conducive environment in the South East region, thereby fostering economic growth.

Keywords: Ethnic agitations, Foreign direct investment, Infrastructural development, Human capital flight.

Introduction

A number of secessionist movements have been reported in several regions of the world. Some of these movements and their agitations according to Griffiths (2017) have been observed in and still being observed in Scotland, Catalonia, Iraqi Kurdistan, New Caledonia, and Bougainville. Wherever and whenever this happens, it leaves a tail of economic woes on that region.

Nigeria has continued to face separatist agitations or struggles since after the unsuccessful Biafran independence attempt of 1967-1970 (Amana & Okpoko, 2023). Because of one grievance or the other, many nationalist or ethnic militant groups have emerged especially starting from the 1990s and continuing till now. Some have evolved because of perceived regional marginalization or poor government leadership.

Paul *et al.*, (2017) observe that Nigeria as a nation has from its origin sowed the seed of marginalization and ethnic agitations; initially it was the North/South dichotomy in public service appointments, cries of power sharing, economic and infrastructural development distribution, States and Local Governments imbalance among others. Abubakar (2017) notes that this seed of disunity was sown at amalgamation and it is growing every day with waves of unrest in which erstwhile neighbours are pitted against each other. Akinola (2017) also notes that ethnic squabble often results from poor management of differences in Nigeria's configuration; the possibilities of a major conflict were always evident in the contradictions of ethnicity, religion, culture and language that were cobbled together by the colonial masters. Mamma (2017) posits that the increasing drums of separatism being beaten by several ethno cultural and militant groups including the Movement for the Actualization of the Sovereign State of Biafra (MASSOB), the Indigenous Peoples of Biafra (IPOB), the Niger Delta Avengers, Movement for the Emancipation of Niger Delta, Northern Elders Forum, Arewa Youths Consultative Forum among others are irrepressible signs of the fractured state of Nigerian federation. Among the six geopolitical zones currently in Nigeria, South East zone claims marginalization from the national government mainly due to the fact that while other zones have six states, they have five. In political appointments and resource distribution, they feel shortchanged also. These and many more have fueled agitations among many non-state actors operating within the zone with unpleasant repercussions. This thesis therefore seeks to find out the effect of these ethnic agitations on the economy of the South East region of Nigeria.

Statement of the Problem

The effect of ethnic agitations on the socio-economic development of Nigeria, particularly in the context of South East Nigeria, presents a multifaceted challenge with significant repercussions. In the ideal situation, South East Nigeria would be characterized by harmonious inter-ethnic relations, conducive to robust economic growth and development. This would entail a thriving business environment, infrastructure development, access to quality education and healthcare, and overall social cohesion.

However, that is not the case. Currently, the region is marred by persistent ethnic tensions and agitations. Grievances stemming from perceived marginalization, political exclusion, and uneven distribution of resources have fueled separatist movements such as the Indigenous People of Biafra (IPOB), leading to sporadic outbreaks of violence, economic disruptions, and social instability.

The cost implications of these ethnic agitations on the socio-economic development of South East Nigeria are substantial. Economic activities are disrupted due to frequent protests, strikes, and conflicts, deterring investors and hindering business growth. Infrastructure development projects are often delayed or abandoned, further exacerbating the region's underdevelopment. Additionally, the erosion of social cohesion and trust between ethnic groups undermines efforts towards building a conducive environment for sustainable development. Against this backdrop, the study raised the following research questions:

- What is the effect of ethnic agitations on foreign direct investment in South East, Nigeria?
- What effect does ethnic agitations has on level of infrastructural development in South East, Nigeria?
- How do ethnic agitations affect human capital flight in the South East Nigeria?

Theoretical Elucidation

Social Identity Theory

Social Identity Theory, proposed by Henri Tajfel and John Turner in the 1970s, explores how individuals derive their sense of identity and self-esteem from their membership in social groups, including ethnic groups (Tajfel & Turner, 1986). The theory suggests that people categorize themselves and others into "in-groups" (groups they belong to) and "out-groups" (groups they do not belong to). Individuals tend to favor their in-group members and perceive them more positively than out-group members. This categorization and favoritism lead to intergroup comparisons and competition for resources, status, and power.

Central to Social Identity Theory are three main tenets: social categorization, social identification, and social comparison. Social categorization involves classifying oneself and others into social groups based on shared characteristics. Social identification refers to the process of emotionally attaching oneself to a particular social group, thereby enhancing one's self-esteem. Social comparison involves comparing the in-group favorably to out-groups to maintain a positive social identity. In summary, Social Identity Theory provides insights into how group membership influences individuals' perceptions, attitudes, and behaviors, shaping intergroup relations and dynamics in society. In the context of ethnic agitations in Nigeria, this theory helps to understand how ethnic groups mobilize, form collective identities, and engage in actions aimed at asserting their interests and rights. By examining the dynamics of intergroup relations, social categorization, and in-group favoritism, this theory provides insights into the social processes underlying ethnic agitations and their implications for economic development.

The application of Social Identity Theory (SIT) offers valuable insights into understanding the effect of ethnic agitation on economic development in Nigeria. SIT posits that individuals derive their sense of identity and self-esteem from their membership in social groups, including ethnic groups. In the context of Nigeria, where ethnic diversity is prominent, ethnic identity plays a significant role in shaping attitudes, behaviors, and intergroup relations. Ethnic agitations, driven by perceived grievances and inequalities, often stem from the intergroup dynamics influenced by social identity processes. Members of ethnic groups mobilize and engage in collective actions to assert their interests, rights, and cultural identity. These actions may manifest in protests, strikes, or even conflicts, disrupting economic activities and hindering development efforts. Furthermore, SIT helps to elucidate the mechanisms through which ethnic agitations affect economic development. By fostering social categorization, in-group favoritism, and out-group derogation, ethnic tensions can lead to social fragmentation, distrust, and reduced cooperation among different ethnic groups. This, in turn, hampers investment, entrepreneurship, and productivity, impeding overall economic growth and stability.

In conclusion, the application of Social Identity Theory provides a theoretical framework for analyzing the complex interplay between ethnicity, social dynamics, and economic development in Nigeria. Understanding how ethnic identity influences attitudes and behaviors can inform strategies for mitigating ethnic tensions and promoting inclusive development policies that foster social cohesion and economic progress for all ethnic groups.

Literature Review

Conceptual Review

Ethnic Agitations

Ethnic agitation refers to collective actions or movements driven by ethnic groups to articulate grievances, assert identity, and pursue socio-political objectives. These agitations often manifest in protests, demonstrations, and demands for greater recognition, autonomy, or rights based on ethnic identity (Banfield and Kasfir, 2004). Ethnic agitations can stem from perceived marginalization, discrimination, or historical grievances and they may escalate

into conflicts if unresolved. These movements are complex phenomena influenced by socio-economic, political, and cultural factors, shaping intergroup relations and national dynamics. Ethnic agitation is closely intertwined with concepts such as ethnic mobilization, identity politics, and nationalism. It reflects the intersection of ethnicity and power dynamics within societies, highlighting the struggles for representation, resources, and recognition among diverse ethnic communities (Crossman, 2019).

Economic Development

Economic development encompasses a multifaceted process aimed at improving the living standards, productivity, and overall well-being of individuals within a society. It involves sustained increases in per capita income, employment opportunities, access to essential services, and the efficient allocation of resources to support long-term growth (Todaro& Smith, 2015). Economic development is not solely measured by GDP growth but also encompasses broader indicators such as human development, income distribution, and environmental sustainability. Investments in physical infrastructure, education, healthcare, and technology are essential components of economic development, enabling countries to enhance productivity, foster innovation, and diversify their economies (Acemoglu& Robinson, 2012). Moreover, promoting entrepreneurship, fostering a conducive business environment, and facilitating trade and investment are crucial for stimulating economic growth and development (World Bank, 2020).

Economic development is a dynamic process influenced by a myriad of factors, including government policies, institutional frameworks, social norms, and global economic trends. Sustainable economic development requires inclusive growth strategies that prioritize poverty reduction, social equity, and environmental conservation (UNDP, 2020). In the study, economic development is a complex and multifaceted endeavor aimed at improving the quality of life and opportunities for individuals and communities. By fostering inclusive growth, investing in human capital, and promoting sustainable practices, countries can achieve long-term prosperity and enhance the well-being of their citizens. In the study, economic development was measured by foreign direct investment, infrastructural development and human capital flight.

Foreign direct investment

Foreign Direct Investment (FDI) refers to the investment made by a company or individual from one country into business interests located in another country, typically involving a significant degree of control or influence over the foreign business operations (UNCTAD, 2021). FDI involves the establishment of business operations or the acquisition of assets, such as ownership stakes in companies, factories, or real estate, in a foreign country with the intention of generating returns on investment. FDI plays a crucial role in facilitating international capital flows, technology transfer, and economic development, contributing to job creation, infrastructure development, and export promotion in host countries (Blomstrom et al., 1994). It provides access to new markets, resources, and technologies, enhancing the competitiveness and productivity of both domestic and foreign firms (Moran, 1998).

Furthermore, FDI serves as a mechanism for multinational corporations to diversify their operations, mitigate risks, and capitalize on comparative advantages in different countries (Dunning, 1988). Governments often implement policies and incentives to attract FDI, recognizing its potential to stimulate economic growth, innovation, and industrial development (OECD, 2008). In the study, Foreign Direct Investment refers to cross-border investments that involve ownership or control by foreign entities and contribute to economic development through capital infusion, technology transfer, and market integration

Infrastructural Development

Infrastructural development refers to the systematic planning, construction, and improvement of physical structures and facilities essential for the functioning of societies and economies. These include transportation networks (roads, bridges, railways, airports), utilities (water supply, sanitation, electricity), communication systems (telecommunications, internet connectivity), and public services (schools, hospitals, government buildings) (World Bank, 2021). Infrastructural development aims to enhance the quality of life, promote economic growth, and support sustainable development by providing essential services and facilitating the movement of goods, services, and people.

Investments in infrastructure play a vital role in stimulating economic activity, attracting investment, and creating employment opportunities (Estache & Fay, 2010). By improving connectivity, efficiency, and reliability of services, infrastructure development can enhance productivity, reduce transaction costs, and foster innovation and entrepreneurship (Fay & Morrison, 2005). Moreover, access to reliable infrastructure services, such as clean water, energy, and transportation, is crucial for poverty reduction, social inclusion, and improving living standards (ADB, 2009). In the study, infrastructure development encompasses the planning and construction of essential physical structures and facilities that support economic activities, improve quality of life, and contribute to sustainable development.

Human Capital Flight

Human capital flight, also known as brain drain, refers to the emigration or outflow of skilled and talented individuals from one country to another, often to seek better opportunities, higher wages, or improved living conditions (Docquier & Marfouk, 2006). This phenomenon involves the loss of valuable human resources, including professionals, academics, scientists, and entrepreneurs, from the country of origin, leading to potential negative impacts on economic growth, innovation, and development (Beine et al., 2001). Human capital flight deprives countries of skilled labor and expertise, hindering productivity, innovation, and technological advancement domestically (Lowell & Findlay, 2001). It exacerbates existing inequalities and disparities in access to opportunities and can impede efforts to build a competitive workforce and knowledge-based economy (Iredale et al., 2003). In the study, human capital flight represents the migration of skilled individuals from their home countries, with implications for both the sending and receiving nations' economic and social development.

Extant Literature

State of South East Nigeria's Economy before Ethnic Agitations

South east was a peaceful region that had a conducive environment for business and economic growth before the insurrection of ethnic agitations. Amana and Okpoko (2023) noted that South east was an abode for buying and selling with resultant effect of massive wealth coming from the market place. However, now, at every sit-at-home (this happens every Monday of every week), the market places are closed restricting people from going out in pursuit of their daily bread as there are threats to life for defaulters (Amana & Okpoko, 2023).

In a report on the state of South east economy before the ethnic agitations, Mefor (2023) postulated that hitherto, the zone was a centre for entrepreneurial activity as majority of the population was involved in small, medium and large-scale enterprises of various sizes. However, since these agitations reared its ugly head, the South east economy has been left in a challenging situation and has made life quite difficult.

Present State of South East Nigeria's Economy.

There have been secessionist agitations in the South eastern part of Nigeria over the past decade that has resulted in the deployment of military actions within the region by the federal government (Yetunde et al., 2022). These

agitations and government responses have had dire consequences on the economic development of the region. According to Yetunde *et al* (2022) citing official website of First Bank of Nigeria, the bank has suspended the operations of eighty-one branches of the bank within the region thereby making all banking transactions and other financial business relations to the bank impossible.

Furthermore, industrial activities have been put on hold leading to loss of funds and loss of foreign direct investment by business partners of these industries. Yetunde *et al* (2022) collaborated by stating that the current situation in the South east of Nigeria will not be suitable for any investor to feel free in the region and invest considering the level of insecurity occasioned by ethnic agitations.

Other effect of these ethnic agitations are that a reasonable number of able bodied and skilled men have left the region resulting in a huge loss of manpower and a general drop in the standard of living of residents of the region.

Empirical Review

Onwuatuegwu and Nwagu (2022) focused on the crux of agitations in Nigeria a striking danger to economic development: A philosophical purview. Using a documentary analysis, the study contends that when approach to leadership sacrifices meritocracy in the management of her resources in such that the “want-get-ratio” falls, the consequent frustration which erupts in the catalyzing agent of agitations. The finding from the study exploration is indicative that the current presidential system which concentrated power at the center is ill-fated political philosophy judging from ethnic and religious diversities of Nigeria.

Ugba and Akor (2022) examined the Impact of Social Unrest on Nigeria’s Socio-Economic Development. The paper adopted a thematic analysis. A major finding of the paper is that the triggers of social unrest included poverty, unemployment, insecurity, police brutality, marginalization and trust deficit between government and the citizenry. The major take away from the foregoing is that social unrest is counterproductive to Nigeria’s socioeconomic development and every attempt must be made to mitigate the predisposing factors.

Ezeani and Chikeleze (2023) explored the effect of ethnic politics on the socio-economic development of South East, Nigeria. The study employed primary and secondary data. Tables, frequency distribution and Mean Scores were adopted in the analysis of data while Chi-square test analysis was used in testing the hypotheses. The findings revealed that Ethnic politics has an effect on infrastructural development of South East Nigeria, that Ethnic politics has an effect on industrialization of South East Nigeria and that there was a relationship between ethnic politics and insecurity in the South East Nigeria. The study concluded that ethnic politics affected socioeconomic development of South East Nigeria.

Edunet *al* (2013), in the study of Infrastructural development and its effect on economics growth in the Nigerian perspective. Simple model was adopted in carrying out the findings. The study revealed that the economy of Nigeria has been growing but no development due to high poverty, unemployment, inequality, absence of productive infrastructure and technology. In order to create employment and reduce poverty, there is need for public private partnership to join hands as government alone cannot finance infrastructural development in an emerging market economy like Nigeria that needs to be pragmatic in her infrastructural development.

Ikenyei and Julie Akpotor (2020), in the study of Ethnic politics and development in Nigeria: Implications on Gender and health. The descriptive method was used and the study revealed that appointments and allocations of strategic resources are based on ethnic affiliations. To enhance peace and development, effort should be geared towards aligning goals on expertise and similarity rather than on differences.

Emoghene and Okolie (2020) explored the ethnicity, religion, politics and the challenges of National Development in Nigeria. A descriptive method was adopted and cross-sectional data were collected across the twenty-five Local Government Areas in Delta State with the aid of a structured questionnaire. Data collected were analyzed using correlation and regression analysis. The findings of the study showed that ethnicity, religion and politics negatively and significantly impacts national development in Nigeria.

Tyungu and Koko (2018) focused on restructuring, Secession and True Federalism: Ethnic Agitations and the Deepening crises of Nigerian Federalism. Using thematic analysis, the study noted that endeavour has so far shown clearly that Nigeria is still going through a difficult phase in its strived to integrate the different ethnic groups in the country. This is because, far from eliminating issues of fear and domination, Nigeria's ethnics groups have found it increasingly difficult to live together without confronting each other.

Tanyi *et al* (2021) examined the ethnic agitations and threat of secession in Nigeria: What can social workers do? The study adopted the qualitative approach of data collection from 12 purposively selected participants using in-depth interviews. Data were thematically analyzed. Findings show that marginalization, ethnic hatred, exclusion from the national resources, fake news and misinformation were notable factors fuelling ethnic agitations, especially in the southeast and southwest region.

Nweke and Okoronkwo (2014), examined Ethnicity: A threat to Nigeria's security and development. Simple method was used and the study highlights ethnicity as the major hindrance to national security and development. It also sees the notion of one Nigeria as a process that can only be realized when concepts like tribe, ethnic group, federal character, quota system and their likes are abolished from the national constitution. The study recommended a need to review Nigeria's constitution to expunge articles, sections or clauses that promote sentiments, prejudice, tribalism, ethnicity or what is called federal character.

Bright, Enakhe Onime (2018), conducted a study on Insecurity and Economic growth in Nigeria: A diagnostic review. Descriptive analysis was used and the study revealed that insecurity affects economic growth by dry-out investments, increases unemployment and dwindles government revenue amongst others. The study recommended an increase in capital expenditure on internal security and concludes with a discussion of some policies to be designed and targeted at addressing the economic effects of insecurity.

Hypotheses

Arising from our literature, the following hypotheses were formulated to guide the study:

- 1 Ethnic agitations have no significant effect on foreign direct investment in South East, Nigeria.
- 2 Ethnic agitations do not have a significant effect on the level of infrastructural development in South East, Nigeria.
- 3 Ethnic agitations have no significant effect on human capital flight in the South East, Nigeria.

METHODOLOGY

Research Design

The survey was used to gather data as acquiring data from large sample were involved. The study was interpretive as it focuses on quantitative and qualitative data.

The study Area

The study was conducted in South East, Nigeria. Abia, Anambra, Ebonyi, Enugu, and Imo are the five states that make up the South East geopolitical zone. The Igbo people's ancestral homeland is in Nigeria's South East States. Nigeria is divided into 36 states, fragmented into six geopolitical zones. With a total land area of roughly 15,800

square miles (41,000 square kilometers), Igbo land is located in South East Nigeria. The study however, was based on three selected states of South East States of Enugu, Abia and Imo States.

Population of the Study

The population of the study is drawn from the three states of Abia, Enugu and Anambra in the South East zone with a population of 11,641,017 as depicted in Table 1.

Table 1: Population Distribution Table

States	General Population	Percentage
Abia	2,845,380	24
Enugu	3,267,837	28
Anambra	5,527,800	48
Total	11641017	100

Source: National Population Commission, 2024

Sample Size of the Study

Four hundred respondents made up the sample size of the study determined using Taro Yamane statistical formula as stated below:

$$n = \frac{N}{1 + N(e)^2}$$

Where n = sample size, N = total population size and I = is constant

e = error limit which is train as 5% (0.05)

Where n = sample size; N = population size; I = constant, n = Margin of error, Using 5% as error estimate

Here N = **11641017**, e = 0.05

Therefore

$$n = \frac{11641017}{1 + 11641017 (0.05)^2} \quad n = \frac{11641017}{1 + 11641017 (0.0025)} \quad n = \frac{11641017}{1 + 39102.5425}$$

$$n = \frac{11641017}{29103.5425} = 399.98 = 400$$

Instrumentation

Questionnaire was used to elicit primary data from the respondents. The respondents were made up of people of different ages, sex, social-economic status, and other variables. Distribution and collection of copies of the questionnaire were done by the researcher. The questions were based on the effect of various and numerous ethnic agitations in the South East region.

Presentation and Analysis of Data

Result of Findings

The primary data collected for the study were analyzed using frequency distributions, Mean Distribution, percentages and Chi-square Test. Frequency distributions, percentages and Mean were used to analyze the research questions, while the hypotheses were tested using Chi-square test. Out of 400 copies of questionnaire distributed, 360 copies were returned.

Table 2: Effect of ethnic agitations on foreign direct investment in South East, Nigeria

s/n	Items	SA	A	U	DA	SD	FREQ	Mean	Decision
1	Ethnic agitations create an environment of political and social instability, increasing uncertainty for investors	160 (44%)	175 (47%)	5 (1%)	10 (3%)	10 (3%)	360	4.3	Accepted
2	Persistent ethnic tensions can erode investor confidence in the South East region, leading to a reluctance to commit capital to long-term investment projects	140 (39%)	180 (50%)	20 (6%)	10 (3%)	10 (3%)	360	4.1	Accepted
3	It deter foreign investors who require reliable infrastructure to operate effectively.	190 (53%)	100 (28%)	10 (3%)	40 (11%)	20 (6%)	360	4.4	Accepted
4	Ethnic conflicts and agitations in South East Nigeria can generate negative publicity in global markets, tarnishing the region's reputation as a favorable investment destination.	200 (56%)	100 (28%)	10 (3%)	25 (7%)	25 (7%)	360	4.1	Accepted
5	It disrupts business activities leading to loss of investors	150 (42%)	160 (44%)	10 (3%)	20 (6%)	20 (6%)	360	4.2	Accepted

Source: Field Survey, 2024

SA= strongly agree; A= Agreed; U=Undecided; DA=Disagreed; SD= Strongly disagreed.

Table 2 above shows the mean distribution of opinions of the respondents on the effect of ethnic agitations on foreign direct investment in South East, Nigeria. With an average mean of 4.22, the respondents accepted that ethnic agitations have an overwhelming effect on foreign direct investment in the South East of Nigeria.

Table 4 How ethnic agitations affected level of infrastructural development in South East, Nigeria

s/n	Item	SA	A	U	DA	SD	Total	Mean	Decision
1	Funds allocated for infrastructure are redirected to address ethnic tensions, hampering development projects	120 (33%)	170 (47%)	20 (6%)	20 (6%)	30 (8%)	360	4.0	Accepted
2	Ethnic conflicts discourage investors, limiting funding for infrastructure projects crucial for development	150 (42%)	150 (42%)	20 (6%)	20 (6%)	10 (3%)	360	4.1	Accepted
3	Ongoing agitations disrupt construction activities, delaying completion and maintenance of infrastructure projects	150 (42%)	120 (33%)	30 (8%)	30 (8%)	30 (8%)	360	4.0	accepted
4	Ethnic tensions create a negative image, deterring both public and private investment in infrastructure development	170 (47%)	100 (28%)	20 (6%)	30 (8%)	40 (11%)	360	4.2	Accepted
5	Skilled professionals leave the region due to ethnic tensions, reducing human capital essential for infrastructure planning and implementation.	140 (39%)	140 (39%)	10 (3%)	40 (11%)	40 (11%)	360	4.0	Accepted

Source: Field Survey, 2024

Table 4 above shows the mean distribution of opinions of the respondents on how ethnic agitations affected level of infrastructural development in South East, Nigeria. Judging by the data in the table with an average mean of 4.06, the respondents found all the items listed in the table to be pure representation of how ethnic agitation affected the level of infrastructural development. The high mean scores of the items showed that the respondents were positive in their responses.

Table 5: How ethnic agitations affected human capital flight in the South East Nigeria

s/n	Item	SA	A	UD	DA	SD	Total	Mean	Decision
1	Skilled individuals emigrate due to insecurity, hindering economic growth and development in the South East	140 (39%)	140 (39%)	20 (6%)	30 (8%)	30 (8%)	360	4.0	Accepted
2	Ethnic tensions drive professionals away, depriving the region of expertise critical for its advancement	150 (42%)	140 (39%)	10 (3%)	40 (11%)	20 (6%)	360	4.1	Accepted
3	Talented individuals leave due to ethnic conflicts, stifling innovation and progress in various sectors	150 (42%)	120 (33%)	30 (8%)	30 (8%)	30 (8%)	360	4.1	Accepted
4	Ethnic agitations lead to the departure of educated youth, depriving the region of future leaders and professionals.	120 (33%)	160 (44%)	10 (3%)	60 (44%)	20 (6%)	360	4.0	Accepted
5	Ethnic tensions result in a shortage of skilled labor, impeding economic activities and investment in the South East.	120 (33%)	160 (44%)	10 (3%)	60 (44%)	20 (6%)	360	4.0	Accepted

Source: Field Survey, 2024

Table 5 shows the mean distribution of opinions of the respondents on how ethnic agitations affected human capital flight in the South East Nigeria. The outcome of the data with average mean of 4.04 showed that ethnic agitations is the major reason professionals leave the South East to other regions and other countries for their livelihood.

Test of Hypotheses

Chi-square test was adopted for the study. The chi-square formula

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Where:

χ^2 = Chi-square, O = Observed Frequency, E = Expected Frequency, \sum = Summation of all items

Assumptions: Level of significance = 0.05

Decision rule

Reject H_0 if the calculated value of χ^2 is greater than the critical value of χ^2 otherwise accept H_0 . Software Package for Social Science (SPSS Version 16.0 for Student Version) was used to test the hypotheses.

Test of Hypothesis One

Statement of Hypothesis One

H_0 : Ethnic agitations have no significant effect on foreign direct investment in South East, Nigeria.

Table 6: Chi-square test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.000(a)	6	.360
Likelihood Ratio	8.318	6	.216
Linear-by-Linear Association	.000	1	1.000
N of Valid Cases	4		

a 12 cells (100.0%) have expected count less than 5. The minimum expected count is .25.

Source: Authors compilation SPSS Output

When reading this table 6, we are interested in the results of the "**Pearson Chi-Square**" row. We can see here that $\chi^2(6) = 18.00$, $p = .238$. This tells us that there is a statistically significant association between ethnic agitations and foreign direct investment.

From the Phi and Cramer's V are both tests of the strength of association. We can see that the strength of association between the variables is very strong.

Decision: Since the calculated value of $\chi^2 = 18.00$ is greater than the table value of $\chi^2 = 9.95$, we therefore reject the null hypothesis and accept the alternative hypothesis. The statistical significance indicated that ethnic agitations have a significant effect on foreign direct investment in South East, Nigeria.

Test of Hypothesis Two**Statement of Hypothesis Two**

Ho: Ethnic agitations do not have a significant effect on the level of infrastructural development in South East, Nigeria.

Table 7: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.000(a)	12	.000
Likelihood Ratio	13.322	12	.346
Linear-by-Linear Association	.976	1	.323
N of Valid Cases	5		

a 20 cells (100.0%) have expected count less than 5. The minimum expected count is .20.

Source: Authors compilation SPSS Output

The result indicated that $\chi^2(12) = 25.00$, $p = .000$. This tells us that there is a statistically significant association between ethnic agitations and infrastructural development.

Decision

Since the calculated value of $\chi^2 = 25.00$ is greater than the table value of $\chi^2 = 9.95$, we therefore reject the null hypothesis and accept the alternative hypothesis. The statistical significance indicated that ethnic agitations do have a significant effect on the level of infrastructural development in South East, Nigeria.

Test of hypothesis Three**Statement of hypothesis Three**

Ho: Ethnic agitations have no significant effect on human capital flight in the South East Nigeria.

Table 8: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	190.310(a)	12	.000
Likelihood Ratio	125.398	12	.000
Linear-by-Linear Association	40.659	1	.000
N of Valid Cases	360		

a 8 cells (40.0%) have expected count less than 5. The minimum expected count is .47.

SOURCE: SPSS Output version 23

The result indicated that $\chi^2(12) = 190.310$, $p = .000$. This tells us that there is a statistically significant association between ethnic agitations and human capital flight.

Decision

Since the calculated value of $\chi^2 = 190.310$ is greater than the table value of $\chi^2 = 9.95$, we therefore reject the null hypothesis and accept the alternative hypothesis. The statistical significance indicated that ethnic agitations have a significant effect on human capital flight in the South East Nigeria.

Discussion of Findings

The study revealed that ethnic agitations have a significant effect on foreign direct investment in South East, Nigeria. The study is an indication that the effect of ethnic agitations on foreign direct investment (FDI) in South East Nigeria underscores the complex interplay between socio-political dynamics and economic development. Ethnic tensions create an environment of uncertainty and instability, deterring foreign investors who seek stable and conducive business environments. This reluctance to invest in the region limits the inflow of capital, technology, and expertise necessary for sustainable economic growth. Moreover, negative perceptions of the South East as a high-risk investment destination further exacerbate the impact of ethnic agitations on FDI. Addressing ethnic tensions and promoting peace and stability in the region are essential steps towards attracting foreign investment, fostering economic development, and realizing the full potential of the South East as a viable investment destination in Nigeria.

The significant effect of ethnic agitations on infrastructural development in South East Nigeria is also undeniable. Ethnic tensions divert resources away from essential infrastructure projects, as governments prioritize addressing immediate security concerns. Additionally, the unstable environment created by ethnic conflicts hampers construction activities, leading to delays and disruptions in infrastructure development. Moreover, the negative perception of the region due to ongoing ethnic agitations deters both public and private investment in infrastructure. As a result, the South East lags behind in terms of basic amenities such as roads, electricity, and water supply, hindering economic growth and societal well-being. Addressing ethnic tensions and fostering peace and stability are crucial for unlocking the region's potential and accelerating infrastructural development in South East Nigeria.

Ethnic agitations also exert a profound influence on human capital flight in South East Nigeria. The climate of insecurity and instability created by ethnic tensions drives skilled professionals and educated youths to seek opportunities elsewhere, resulting in a significant brain drain from the region. The departure of talented

individuals deprives the South East of crucial expertise needed for its economic, social, and political development. Furthermore, the loss of human capital undermines innovation, entrepreneurship, and productivity, hindering the region's ability to compete in the global economy. Addressing the root causes of ethnic tensions and promoting peace and inclusivity are imperative for retaining and attracting skilled individuals, fostering sustainable development, and realizing the full potential of human capital in South East Nigeria.

Conclusion

The impact of ethnic agitations on the economic development of South East Nigeria is substantial. Ethnic tensions create an environment of uncertainty and instability, deterring foreign direct investment, hindering infrastructural development, and driving human capital flight from the region. These factors impede economic growth, exacerbate inequalities, and hinder progress towards achieving sustainable development goals. Addressing ethnic tensions and fostering peace and inclusivity are imperative for unlocking the region's economic potential, attracting investment, and retaining skilled professionals. Furthermore, concerted efforts by policymakers, stakeholders, and communities are essential to promote social cohesion, address grievances, and create an enabling environment for economic prosperity in the South East. By prioritizing peace-building initiatives and inclusive development strategies, South East Nigeria can overcome the challenges posed by ethnic agitations and embark on a path towards equitable and sustainable economic development.

Recommendations

Fairness, justice and equity must be inculcated in our political and administrative system by the government to promote peace and stability, reassure investors, and create a conducive environment in the South East region thereby fostering economic growth. Anything short of that will continue to attract agitations from ethnic and militia groups in the aggrieved regions. As Senator Shehu Sani of Kaduna state, Nigeria said in his 2024 democracy day dinner speech “ a national anthem, pledge or constitution cannot unite a nation, a nation is united by the ideals of freedom, equity, and justice”.

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