



Productive Protection and Fragile Recovery: Insecurity, State Capacity, and Economic Reform in Nigeria

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Abstract

Nigeria's recent economic difficulties are often explained through inflation, exchange-rate volatility, fiscal pressure, subsidy reform, debt exposure, and weak investment. These factors matter, but they do not fully explain why recovery remains socially fragile despite stabilisation efforts. This article argues that Nigeria's recovery problem is also a problem of productive protection: the state's uneven capacity to make economic life safely possible. It develops security-governance transmission as a framework for explaining how insecurity and weak institutional coordination convert localised violence, criminal predation, and infrastructure sabotage into wider economic stress. Using evidence from farms, pipelines, roads, and capital inflows, the article shows how insecurity travels through four arenas of Nigeria's political economy: rural production, fiscal infrastructure, market mobility, and investment confidence. It identifies seven mechanisms: productive-space insecurity, critical infrastructure vulnerability, transaction-cost escalation, investor-risk perception, institutional coordination deficit, enforcement credibility deficit, and public-trust erosion. The article contributes to African political economy by showing that macroeconomic reform remains fragile where public authority cannot protect the productive base of economic life.

Keywords: Nigeria; Productive protection; State capacity; Economic reform; Public authority; Political economy; Insecurity

Introduction

Nigeria's recent economic crisis is commonly explained through macroeconomic variables: inflation, exchange-rate volatility, subsidy reform, fiscal pressure, debt exposure, weak productivity, and low investment. These explanations are necessary. They clarify why prices rise, why public finances are strained, why purchasing power falls, why the naira weakens, and why investors remain cautious. Yet they are incomplete. They explain the financial symptoms of fragility more clearly than they explain the security and governance conditions through which economic recovery becomes durable, limited, or socially fragile.

This article argues that Nigeria's recovery problem is not only a macroeconomic problem. It is also a problem of productive protection: the state's uneven capacity to make economic life safely possible. Productive protection refers to public authority over the spaces and systems through which citizens produce, move, trade, invest, and trust. In Nigeria, these spaces are ordinary but politically consequential: farms, pipelines, roads, markets, ports, enforcement systems, and investment environments. Where

these spaces are insecure, macroeconomic reform may improve selected indicators while remaining fragile in social reality.

The problem is not simply that Nigeria faces insecurity. The deeper issue is that insecurity travels into the economy. Farmers who cannot safely access land reduce production. Pipelines exposed to theft and vandalism weaken public revenue and foreign exchange. Roads affected by kidnapping and extortion raise the cost of movement and fragment markets. Investors may return through short-term portfolio flows while remaining cautious about long-term productive investment. Citizens who doubt state protection reorganise economic life around avoidance, informal security, and defensive livelihoods. In such conditions, insecurity does not remain confined to villages, highways, oilfields, forests, or insurgency theatres. It enters food prices, fiscal revenue, transport costs, investment expectations, public trust, and household welfare. This produces the article's central puzzle. Why does macroeconomic reform remain socially fragile where selected indicators begin to improve? The question matters because economic recovery is often assessed through

growth, reserves, inflation, revenues, and capital inflows. These indicators matter, but they do not fully capture whether recovery is secure at the level of lived economic reality. A more demanding test is whether citizens can farm, travel, trade, invest, and live under credible protection. In Nigeria, that test remains uneven.

The article develops security-governance transmission as a framework for explaining this gap. Security-governance transmission refers to the process through which insecurity and weak institutional coordination convert localised violence, criminal predation, and infrastructure sabotage into wider economic stress. The concept shifts the analysis from the general claim that insecurity harms development to a more precise account of how insecurity becomes macroeconomic. It asks not only whether insecurity affects the economy, but through which mechanisms, in which spaces, and with what consequences for recovery. The article identifies seven mechanisms of transmission: productive-space insecurity, critical infrastructure vulnerability, transaction-cost escalation, investor-risk perception, institutional coordination deficit, enforcement credibility deficit, and public-trust erosion. These mechanisms explain how insecurity travels from farms, roads, pipelines, and communities into food inflation, fiscal stress, foreign-exchange vulnerability, weak long-term investment, market fragmentation, defensive livelihoods, and fragile recovery.

The Nigerian case is analytically useful because it is not a case of total state collapse. Nigeria has formal institutions, security agencies, fiscal authority, regulatory bodies, legal mandates, electoral politics, and reform ambition. Its problem is more specific: formal state presence does not consistently translate into reliable protection of the productive base. Authority does not automatically become territorial control. Intelligence does not automatically become warning. Warning does not automatically become protective deployment. Arrest does not automatically become prosecution. Prosecution does not automatically become deterrence. Citizens therefore experience a gap between the state's formal authority and its protective performance. This gap is what the article conceptualises as a deficit of productive protection. The argument is not that insecurity is the sole cause of Nigeria's economic fragility. Inflation, exchange-rate volatility, subsidy reform, fuel prices, climate shocks, weak productivity, infrastructure deficits, global market pressures, and policy uncertainty all matter. The narrower and more defensible claim is that insecurity conditions the effectiveness of reform by shaping whether the productive base can function. Macroeconomic policy may adjust prices, incentives, revenues, and investment signals. But public authority determines whether those reforms can operate across the spaces where economic life is actually produced.

Empirically, the article examines four arenas of Nigeria's political economy: farms, pipelines, roads, and capital. These are not treated as separate sectors, but as sites where public authority

over the productive base is tested. Farms reveal whether the state can protect rural production. Pipelines reveal whether it can secure fiscal infrastructure. Roads reveal whether it can govern mobility and market integration. Capital inflows reveal whether investors trust the state's capacity to protect long-term productive commitment.

The article is based on a thematic, mechanism-centred qualitative political economy analysis. It draws on contemporary academic literature, official statistics, international organisation reports, conflict-event data, policy documents, and credible reporting on Nigeria's food economy, oil infrastructure, transport insecurity, and capital inflows. The aim is not to estimate insecurity's total quantitative effect on the Nigerian economy. Rather, it is to trace how insecurity moves through selected arenas of productive life. The article's originality lies in conceptualising productive protection as a form of state capacity and security-governance transmission as the process through which insecurity becomes macroeconomic. Rather than treating insecurity as a background constraint on reform, the article specifies the mechanisms through which insecurity enters economic life: productive-space insecurity, critical infrastructure vulnerability, transaction-cost escalation, investor-risk perception, institutional coordination deficit, enforcement credibility deficit, and public-trust erosion. Nigeria is used not as an isolated national story, but as a critical case for understanding why macroeconomic reform remains fragile where public authority cannot secure the productive base of economic life.

The article contributes to African political economy in three ways. First, it conceptualises productive protection as a form of state capacity. In reforming but security-stressed African states, state capacity should not be measured only by formal institutions, fiscal authority, policy reform, or coercive capability. It should also be measured by whether the state protects the spaces and systems through which economic life is organised. Second, it develops security-governance transmission as a framework for explaining how insecurity becomes macroeconomic through identifiable mechanisms. Third, it reframes economic recovery as a security-mediated process. Macroeconomic reform remains necessary, but its social and productive effects are limited where insecurity disrupts production, infrastructure, mobility, enforcement, investment expectations, and public trust. The argument proceeds in five steps. The next section situates the article in debates on macroeconomic reform, public authority, state capacity, political economy of violence, and transaction costs. The following section develops the concepts of productive protection and security-governance transmission. The empirical section traces the argument through four arenas: farms, pipelines, roads, and capital. The discussion draws out what Nigeria reveals about fragile recovery in security-stressed African political economies. The conclusion reflects on why recovery cannot be understood through macroeconomic reform alone where public authority over the productive base remains insecure.

Reform, Public Authority, and Productive Protection

Nigeria's fragile recovery sits at the intersection of macroeconomic reform, state capacity, insecurity, and public authority. Existing literatures explain important parts of this problem, but they do not fully specify how insecurity becomes macroeconomic. Work on economic reform explains inflation, exchange-rate instability, fiscal pressure, debt exposure, subsidy politics, and investment constraints. State-capacity literature explains why public authority, violence management, taxation, and institutional performance matter for development. Political economy of violence literature explains predation, coercive extraction, clandestine economies, and the economic functions of disorder. Institutional economics explains uncertainty, transaction costs, and the governance of exchange. Political risk literature explains why investors differentiate between short-term financial exposure and long-term productive commitment. Yet these literatures are often treated separately. This article brings them together through two concepts: productive protection and security-governance transmission.

Macroeconomic explanations are indispensable to understanding Nigeria's recent economic pressures. Inflation, exchange-rate depreciation, subsidy removal, revenue weakness, debt-servicing pressure, and weak productivity have shaped household welfare and investor expectations. These variables explain why prices rise, why public finances tighten, why real incomes fall, and why governments pursue painful adjustment. Existing work on Nigeria's political economy has also shown that reform outcomes are not simply technical. Zainab Usman's analysis of Nigeria's post-military political settlement shows that economic reform is shaped by institutional incentives, elite bargains, and the distribution of power [1]. That insight matters here because it reminds us that reform operates through political and institutional conditions, not above them.

This article builds on that tradition but shifts attention to a related problem: how insecurity mediates reform. A government may unify exchange rates, remove subsidies, improve revenue collection, tighten monetary policy, and restore investor confidence in financial markets. Yet these measures cannot by themselves secure farms, protect pipelines, make roads safe, prosecute predatory actors, or rebuild public trust. Reform changes incentives and prices; public authority determines whether those reforms can operate across the spaces where economic life is produced. The distinction is not between economics and security, but between reform as macroeconomic adjustment and recovery as lived economic security. State-capacity literature provides the strongest theoretical anchor for this article. Besley and Persson link development to state capacity, internal peace, and the institutional foundations of prosperity [2]. North, Wallis, and Weingast locate the management of violence at the centre of political and economic order [3]. Migdal's work on

strong societies and weak states also helps explain why formal state institutions may coexist with uneven authority in everyday life [4]. These literatures establish a crucial point: development depends not only on policy choices, but on whether public authority can enforce rules, manage violence, and sustain order.

However, Nigeria's case suggests that state capacity must be specified more concretely for security-stressed political economies. It is not enough to ask whether the state has ministries, police institutions, courts, fiscal agencies, armed forces, or reform programmes. The more immediate question is whether these institutions make economic life safely possible. This article calls that capacity productive protection. Productive protection refers to public authority over the spaces and systems through which citizens produce, move, trade, invest, enforce claims, and trust institutions. It includes farms, roads, pipelines, markets, ports, power assets, schools, enforcement systems, and investment environments. This formulation clarifies why Nigeria is analytically useful. Nigeria is not a collapsed state. It has formal institutions, security agencies, regulatory bodies, legal mandates, budgets, elections, and reform ambition. Its problem is not institutional absence. It is the uneven conversion of institutional presence into protective performance. Intelligence may be collected without becoming warning. Warning may be issued without producing timely deployment. Deployment may occur without deterrence. Arrest may occur without prosecution. Prosecution may occur without credible punishment. This broken chain matters economically because protection is not abstract. It determines whether farmers cultivate, whether goods move, whether pipelines function, whether investors commit, and whether citizens trust public authority.

African Affairs scholarship is particularly useful for this article because it often treats ordinary economic spaces as sites where public authority is made, contested, and revealed. Usman's study of Nigeria's post-military political settlement shows how economic reform outcomes are shaped by institutions, elite bargains, and the distribution of power, rather than by technocratic policy design alone. Agbiboa's work on Lagos motor-park touts shows how everyday transport systems can illuminate predatory politics, informal governance, uncertainty, and coercive authority [5]. Elder's study of logistics contracts in Somalia similarly shows how economic systems, rents, public authority, and state failure can become mutually entangled [6]. This article applies a similar sensibility to Nigeria's farms, pipelines, roads, and capital inflows. These are not treated as separate sectors, but as arenas where the state's protective authority over economic life is tested.

The political economy of violence literature helps explain why insecurity should not be treated only as disorder. Kalyvas shows that violence may be organised, selective, locally informed, and tied to control [7]. Reno's work on warlord politics and clandestine economies in African states shows how weak public authority can coexist with violent forms of extraction and economic integration

[8]. Keen's work on the economic functions of violence also reminds us that violence may serve distributive and accumulation purposes for particular actors [9]. These insights matter for Nigeria because kidnapping, oil theft, banditry, illegal mining, and extortion are not only security incidents. They may operate as systems of coercive accumulation. Kidnapping is not only a public safety problem; it is also a ransom economy. Oil theft is not only a petroleum-sector offence; it is fiscal predation. Illegal mining is not only resource misuse; it can become territorial extraction. Banditry is not only rural violence; it can become coercive control over land, movement, and local markets. Pipeline vandalism is not only infrastructure damage; it can become a method for diverting value from the formal economy. The article's contribution is to ask how such predation scales upward. The answer lies in transmission. Local predation becomes macroeconomic when it affects food supply, transport costs, public revenue, foreign-exchange earnings, investor confidence, and citizen trust.

Institutional economics provides the language for explaining the road and market dimensions of this argument. North's work on institutions shows how rules and expectations shape economic performance by reducing uncertainty and structuring incentives [10]. Williamson's transaction-cost economics further explains how uncertainty and governance hazards affect exchange [11]. Insecurity reverses the stabilising function of institutions. It makes movement uncertain, exchange expensive, and market access uneven. Roads illustrate this clearly. They are often treated as physical infrastructure, but they are also institutions of market integration. They allow goods, labour, services, and information to move. When roads become unsafe because of kidnapping, banditry, extortion, or armed robbery, they stop performing this function effectively. The road remains physically present, but its economic reliability declines. Transporters demand higher fares or avoid certain routes. Traders reduce journeys. Farmers may sell locally at lower prices rather than risk distant markets. Urban consumers pay more because goods arrive through longer, slower, or risk-adjusted routes. The cost of fear becomes part of the cost of exchange.

Political risk and investment literature adds a further dimension. Investors do not respond only to current macroeconomic indicators. They also price expected future risk. High yields, currency adjustment, and reform signals may attract portfolio capital, but long-term productive investment requires deeper confidence. Investors must believe that assets can be protected, contracts enforced, staff moved safely, infrastructure maintained, and policy rules sustained long enough to justify long-term commitment [12]. This distinction matters because headline capital inflows can mislead. A rise in portfolio inflows may indicate renewed financial appetite without signalling durable productive confidence. Foreign direct investment is more embedded. It requires confidence in land, infrastructure, logistics, enforcement, labour stability, and time.

The literatures reviewed above therefore explain important parts of Nigeria's fragile recovery, but they leave a gap. Macroeconomic reform literature explains adjustment but often underplays the security conditions through which reform becomes socially meaningful. State-capacity literature explains institutional performance but does not always specify how public authority protects productive systems. Political economy of violence literature explains predation but less often traces how local coercion becomes national economic fragility. Institutional economics explains transaction costs but is rarely applied to everyday insecurity on African roads and markets. Political risk literature explains investor caution but does not always connect capital quality to the state's protective authority over the productive base. This article intervenes by developing two linked concepts. The first is productive protection, which captures the state's capacity to make economic life safely possible. The second is security-governance transmission, which explains how insecurity travels from localised violence and predation into wider economic stress. Together, these concepts explain why macroeconomic reform in Nigeria remains socially fragile where public authority cannot secure farms, pipelines, roads, markets, enforcement systems, and investor confidence.

Farms, Pipelines, Roads, and Capital: A Framework for Security-Governance Transmission

The previous section argued that Nigeria's fragile recovery cannot be understood through macroeconomic reform alone. Reform operates through spaces and systems that must be protected if economic life is to function. This section develops the framework that guides the empirical analysis. It introduces two linked concepts: productive protection and security-governance transmission. Productive protection refers to the state's capacity to make economic life safely possible. It is a form of state capacity, but it is more specific than administrative presence, fiscal authority, or coercive capability. It asks whether public authority can secure the practical conditions under which people farm, travel, trade, invest, enforce claims, and trust institutions. In Nigeria, this capacity is tested in ordinary but politically consequential spaces: farms, pipelines, roads, markets, ports, courts, and investment environments. Security-governance transmission refers to the process through which insecurity and weak institutional coordination convert localised violence, criminal predation, and infrastructure sabotage into wider economic stress. It explains how insecurity becomes macroeconomic. The concept does not claim that insecurity is the only cause of Nigeria's fragile recovery. Inflation, exchange-rate volatility, subsidy reform, fuel costs, climate shocks, infrastructure deficits, weak productivity, policy uncertainty, and global market pressures all matter. The narrower claim is that insecurity conditions the effectiveness of reform by shaping whether the productive base can function.

The framework is built around four empirical arenas: farms, pipelines, roads, and capital. These are not treated as separate

policy sectors. They are treated as sites where public authority over the productive base is tested. Farms reveal whether the state can protect rural production. Pipelines reveal whether the state can secure fiscal infrastructure. Roads reveal whether the state can govern mobility and market integration. Capital inflows reveal whether investors trust the state's capacity to protect long-term productive commitment. Across these arenas, insecurity travels into the economy through seven mechanisms: productive-space insecurity, critical infrastructure vulnerability, transaction-cost escalation, investor-risk perception, institutional coordination deficit, enforcement credibility deficit, and public-trust erosion. State capacity is often discussed in terms of taxation, administration, coercive authority, bureaucratic effectiveness, or legal enforcement. These dimensions are important, but they do not fully capture the problem examined here. In a security-stressed political economy, state capacity must also be assessed by whether the state can protect the productive spaces through which economic life is organised.

This is the meaning of productive protection. It is the capacity of public authority to make land usable, roads safe, infrastructure reliable, markets accessible, enforcement credible, and investment horizons predictable. Productive protection is not simply security provision in the narrow sense. It is the protection of the conditions that allow economic actors to behave productively rather than defensively. The distinction matters for Nigeria. The Nigerian state is formally present across many domains. It has ministries, courts, armed forces, police institutions, intelligence agencies, fiscal authorities, regulatory bodies, and reform programmes. Yet formal presence does not always become practical protection. Farmers may still fear abduction. Pipelines may still be exposed to theft and vandalism. Roads may still be avoided because of kidnapping. Investors may still prefer short-term financial exposure to long-term productive commitment. Citizens may still doubt whether the state can protect life and livelihood. Productive protection therefore shifts attention from whether the state exists to whether it protects the productive base. It asks a more concrete question: can public authority make economic life safely possible?

Security-governance transmission explains the movement from insecurity to economic fragility. It is the process by which localised violence and weak institutional coordination enter wider economic systems. This process does not operate through one single channel. It operates through multiple mechanisms. The first mechanism is productive-space insecurity. This occurs when farms, rural markets, fishing areas, mining zones, or other productive spaces become unsafe or inaccessible. It links insecurity to reduced production, weaker market access, food stress, and livelihood vulnerability. The second mechanism is critical infrastructure vulnerability. This occurs when pipelines, ports, railways, power assets, telecommunications systems, and other vital infrastructure are exposed to theft, sabotage, vandalism, or criminal capture. It links insecurity to revenue leakage, supply

disruption, foreign-exchange pressure, and fiscal stress. The third mechanism is transaction-cost escalation. This occurs when insecurity raises the cost of moving goods, people, and services. It links unsafe roads, kidnapping risk, extortion, route diversion, private security costs, and delivery delays to higher prices and market fragmentation. The fourth mechanism is investor-risk perception. This refers to how investors assess the probability that insecurity, weak enforcement, or infrastructure vulnerability will affect assets, personnel, supply chains, contracts, and long-term profitability. It links security-governance weakness to the quality and durability of capital.

The fifth mechanism is institutional coordination deficit. This occurs when information, intelligence, planning, and operational capacity are not converted into timely protection. It links weak intelligence fusion, agency rivalry, poor response, and fragmented command to repeated disruption. The sixth mechanism is enforcement credibility deficit. This occurs when predatory actors do not believe the state can reliably detect, prosecute, punish, and deter them. It links weak prosecution and poor deterrence to repeated predation. The seventh mechanism is public-trust erosion. This occurs when citizens lose confidence in the state's ability to protect life, livelihood, mobility, property, and justice. It links insecurity to defensive economic behaviour, reduced cooperation, informal protection, and weaker resilience. Together, these mechanisms show that insecurity becomes macroeconomic not simply because violence exists, but because violence disrupts the systems through which economic life is made possible.

Across farms, pipelines, roads, and capital, the central problem is not simply the absence of institutions. It is weak institutional conversion. Institutions may exist, but their authority does not always become protection. Intelligence may be collected, but not converted into warning. Warning may be issued, but not converted into deployment. Deployment may occur, but not converted into deterrence. Arrest may happen, but not converted into prosecution. Prosecution may occur, but not converted into credible punishment.

This conversion problem is central to security-governance transmission. It explains why formal state presence may coexist with insecure productive spaces. The state may be visible in law, budget, command structure, or policy statement, yet weak in the practical protection of farms, pipelines, roads, and markets. The result is a gap between state presence and economic confidence.

The framework generates six propositions that guide the empirical analysis. Where productive space is insecure, macroeconomic reform is less likely to reduce livelihood stress because insecurity constrains production and market access. Where critical infrastructure is vulnerable, insecurity becomes fiscal because sabotage and theft reduce revenue, foreign-exchange earnings, and investor confidence. Where transport corridors are unsafe, insecurity becomes inflationary because transaction costs

are transferred into market prices. Where investors perceive high security-governance risk, capital inflows are more likely to be short-term and yield-seeking than long-term and productive. Where institutional coordination and enforcement credibility are weak, predatory actors face low deterrence, making insecurity repetitive and economically embedded. Where citizens lose trust in state protection, economic behaviour becomes defensive, reducing mobility, cooperation, productivity, and resilience. These propositions do not claim that insecurity is the only explanation for Nigeria's fragile recovery. They specify the channels through which insecurity mediates recovery. This is the article's central contribution: it explains how insecurity becomes macroeconomic by disrupting public authority over the productive base.

Tracing Security-Governance Transmission in Nigeria

The framework developed above is not intended as an abstract model detached from Nigeria's political economy. It is a way of reading four grounded arenas where public authority over the productive base is tested: farms, pipelines, roads, and capital. Each arena reveals a different pathway through which insecurity becomes macroeconomic. Farms show how rural insecurity weakens production and food access. Pipelines show how infrastructure predation affects fiscal capacity and foreign exchange. Roads show how fear is priced into mobility and exchange. Capital shows how investors distinguish between short-term financial opportunity and long-term productive confidence. The purpose here is not to claim that insecurity alone explains Nigeria's fragile recovery. Inflation, exchange-rate volatility, fuel costs, subsidy reform, climate shocks, weak infrastructure, and policy uncertainty all matter. The narrower argument is that these pressures are intensified where public authority cannot secure the spaces through which economic life operates.

Farms: productive-space insecurity and food stress

The farm is the first arena of productive protection. In macroeconomic debate, food inflation is often discussed through monetary policy, exchange-rate depreciation, fuel costs, climate shocks, import dependence, and logistics constraints. These factors matter. Yet such explanations remain incomplete if they do not ask whether farmers can safely produce and move food. In insecure rural settings, the farm is not simply an agricultural unit. It is a test of public authority over land, labour, harvest, and market access. Farming requires more than soil, rain, fertiliser, credit, and prices. It requires the confidence that land can be reached, labour can be mobilised, crops can be harvested, and produce can be moved to market without abduction, extortion, displacement, or death. Where this confidence is absent, farmers adapt defensively. They may cultivate less land, avoid distant fields, reduce market journeys, harvest early, abandon communities, or sell under distress. These individual adjustments accumulate into national food stress. In this arena, insecurity becomes macroeconomic through productive-space insecurity. Violence in rural communities does not remain local when it constrains

food production. It enters national life through scarcity, higher prices, lower rural income, food insecurity, and household welfare compression.

The scale of Nigeria's food stress illustrates the mechanism. FAO reported that 33.1 million people were expected to face high levels of food insecurity during Nigeria's June to August 2025 lean season, an increase of about seven million from the previous year. The Cadre Harmonisé analysis, led by the Government of Nigeria and supported by partners, identified economic hardship, inflation, climate change, and persistent violence among the drivers of deterioration [13]. Peer-reviewed work on farmer-herder conflict in rural Nigeria further supports the link between insecurity and food stress: Nnaji and co-authors find that both the incidence and severity of farmer-herder conflict significantly increase food insecurity among rural households in Nigeria [14]. These figures should not be read only as humanitarian indicators. They are also political economy indicators. They show that the insecurity of rural production can become national economic stress. The farm, in this sense, is not peripheral to macroeconomic recovery. It is one of its foundations. The implication is direct: food inflation in Nigeria is partly a territorial-security problem. Price stabilisation cannot rely only on monetary tightening, exchange-rate correction, import waivers, or food distribution. These may reduce some pressures, but they cannot substitute for secure rural production. Where public authority does not make farms usable and rural roads safe, the food economy remains exposed at source.

Pipelines: fiscal infrastructure and predatory extraction

Pipelines are the second arena of productive protection. In Nigeria's political economy, they are not merely oil-sector infrastructure. They are fiscal arteries. They connect extraction to exports, foreign exchange, public revenue, budget planning, and investor confidence. When pipelines are exposed to theft, vandalism, illegal tapping, or sabotage, insecurity moves from the creeks and oil corridors into the fiscal state. In this arena, insecurity becomes macroeconomic through critical infrastructure vulnerability. Oil theft and pipeline vandalism are not ordinary forms of criminality. They are forms of predatory extraction that redirect value away from the formal economy and weaken the state's revenue base. They also reveal a deeper problem of public authority: whether the state can secure the infrastructure through which national income is generated. Nigeria's oil sector illustrates the fiscal consequences of infrastructure vulnerability. Reuters reported that Nigeria's oil output averaged about 1.5 million barrels per day in 2024, below its 1.8 million barrels per day target, with oil theft, pipeline vandalism, and underinvestment identified as constraints [15]. Reuters has also reported Nigeria's heavy reliance on oil revenue and foreign-currency earnings, which means that pipeline insecurity has national fiscal significance [16]. The point is not merely that oil theft damages companies

or producing communities. It weakens the fiscal infrastructure through which the state funds itself and participates in global markets.

This mechanism is important because it shows why productive protection must include infrastructure. The state's capacity is tested not only by whether it can command agencies or announce reform, but by whether it can keep strategic economic systems functioning. A fiscal reform agenda that improves revenue administration but leaves oil evacuation vulnerable remains exposed. A currency reform agenda that seeks foreign exchange stability but cannot secure export infrastructure remains fragile. The implication is that pipeline protection is macroeconomic policy by other means. To call oil theft a security problem is correct but insufficient. It is also fiscal sabotage. It attacks the material infrastructure through which the state funds itself and participates in global markets. In Nigeria, public authority over pipelines is therefore public authority over part of the fiscal base.

Roads: market mobility and the cost of fear

Roads are the third arena of productive protection. They are often treated as transport infrastructure, but they are also institutions of exchange. Roads connect farms to markets, workers to jobs, traders to customers, and goods to consumers. They reduce uncertainty by making movement predictable. When they become unsafe, the physical road may remain open, but its economic function deteriorates. In this arena, insecurity becomes macroeconomic through transaction-cost escalation. Kidnapping, banditry, extortion, and road attacks do not only traumatise victims. They raise the cost of movement. Transporters may increase fares, avoid certain corridors, pay informal security costs, move with escorts, delay journeys, or transfer risk premiums to traders. Traders may reduce trips, avoid some markets, or pass costs to consumers. Farmers may sell locally at lower prices rather than risk distant markets. In each case, fear is priced into exchange.

The evidence of kidnapping and abduction risk is substantial. SBM Intelligence's 2024 report on Nigeria's kidnap industry recorded 1,056 deaths in 1,130 reported kidnap incidents during the year under review [17]. Nigeria's National Human Rights Commission also reported 570 killings and 278 kidnappings in April 2025 alone, underscoring the continuing intensity of violent insecurity and the importance of accountability [18]. These figures matter economically because mobility is the connective tissue of markets. Where movement becomes uncertain, trade becomes costly and markets fragment. This mechanism allows the article to avoid a crude claim that insecurity alone causes inflation. The more precise claim is that insecurity can reprice movement. It increases the cost and uncertainty of getting goods from one place to another. That matters in a country where food, labour, and trade depend heavily on road mobility. The road is therefore a useful site for thinking about public authority. A state that cannot make

roads usable cannot fully integrate markets. Food may exist in one part of the country while becoming expensive or inaccessible in another. The same insecurity that appears as kidnapping in one register appears as transport cost, price pressure, market withdrawal, or reduced trade in another. The implication is that corridor security is not merely a security-sector objective. It is part of market integration. A road that citizens fear to use is not simply an unsafe road. It is a damaged economic institution.

Capital: investor confidence and the quality of recovery

Capital is the fourth arena of productive protection. Investors do not read an economy only through interest rates, exchange-rate correction, market size, or reform announcements. They also read the state. They ask whether assets can be protected, staff can move safely, infrastructure can function, contracts can be enforced, and rules can be sustained long enough to justify long-term commitment. In this arena, insecurity becomes macroeconomic through investor-risk perception. Security-governance weakness does not necessarily prevent all capital from entering. It may change the type of capital that enters. High yields may attract portfolio investment, but long-term productive investment requires deeper confidence in the protection of assets, infrastructure, supply chains, labour, and time horizons. Political risk and investment literature helps explain this distinction. Studies on political risk and FDI show that investors evaluate institutional quality, political violence, policy credibility, and operating uncertainty when making location and commitment decisions [19]. The point is not that insecurity automatically prevents investment, but that it shapes the time horizon and form of investment. Liquid portfolio capital may return when yields are attractive. Productive capital usually requires deeper confidence in protection, enforcement, infrastructure, and policy stability.

Nigeria's recent capital inflow pattern illustrates this distinction. Reuters reported that capital inflows rose by about 90 percent in 2025 to \$23.22 billion, but that the increase was driven overwhelmingly by foreign portfolio investment, which accounted for about 85 percent of total inflows, while foreign direct investment rose only modestly to \$923 million [20]. These figures indicate differentiated confidence: investors may be willing to hold liquid financial exposure while remaining cautious about long-term productive commitment.

The distinction between capital volume and capital quality is central. Portfolio inflows can strengthen financial markets, support liquidity, and signal renewed interest. But they can also exit quickly. Foreign direct investment is more embedded. It usually involves fixed assets, employment, supply chains, local partnerships, and time. It therefore requires confidence not only in macroeconomic reform but in public authority over infrastructure, law, mobility, and security. The implication is that fragile recovery can coexist with rising capital inflows. A recovery supported by short-term capital is less secure than one supported by durable

productive investment. If public authority cannot protect the conditions of long-term production, reform may attract liquidity without building resilience. Farms, pipelines, roads, and capital reveal the same underlying problem from different angles. They show that Nigeria's recovery is not only about macroeconomic reform design. It is also about public authority over the productive base [21].

Farms reveal whether the state can protect rural production. Pipelines reveal whether it can protect fiscal infrastructure. Roads reveal whether it can protect market mobility. Capital reveals whether investors trust the state's capacity to protect long-term productive commitment. Together, these arenas show that insecurity becomes macroeconomic through transmission. It does not move into the economy as a single shock. It travels through the systems that organise production, extraction, mobility, investment, enforcement, and trust. This is why macroeconomic recovery can remain fragile even when selected indicators improve. The productive base may still be insecure. The wider implication is that recovery in security-stressed African political economies cannot be understood through financial correction alone. It also depends on productive protection: the capacity of public authority to make economic life safely possible.

What Nigeria Reveals About Fragile Recovery

The four arenas examined above show that Nigeria's recovery problem is not reducible to poor macroeconomic reform design. It is also a problem of public authority over the productive base. Farms, pipelines, roads, and capital are not merely economic sectors. They are sites where state capacity is tested in practical terms. Can citizens produce safely? Can strategic infrastructure function? Can goods move predictably? Can investors commit long-term capital? Can enforcement systems deter predation? These are not secondary questions. They determine whether reform becomes lived recovery or remains confined to aggregate indicators. The first implication is that macroeconomic stabilisation and economic recovery are not the same thing. Stabilisation may improve inflation trends, exchange-rate management, reserves, revenues, or capital inflows. Recovery is more demanding. It requires secure production, reliable infrastructure, safe mobility, credible enforcement, and public trust. This distinction matters because an economy may appear to be recovering in statistical terms while remaining fragile in social and territorial terms. Nigeria's case shows that recovery cannot be judged only by what happens in fiscal accounts, foreign-exchange markets, or capital inflow data. It must also be judged by what happens in farms, roads, pipelines, markets, and households.

The second implication is that state capacity must be understood as productive protection. Much of the literature treats state capacity as taxation, administration, coercion, legal order, or bureaucratic effectiveness. These remain central. But Nigeria's case shows that state capacity also depends on whether public authority can make economic life safely possible. A state may possess ministries, agencies, courts, security budgets, and

reform programmes, yet still fail to protect the spaces where citizens produce and exchange value. This is not state absence. It is a failure of conversion: formal authority does not become practical protection. The third implication is that insecurity becomes macroeconomic through mechanisms, not merely through presence. The fact that insecurity exists is not enough to explain recovery fragility. What matters is how insecurity travels. Rural violence becomes food stress when it disrupts farming and market access. Pipeline vandalism becomes fiscal pressure when it reduces oil evacuation and foreign-exchange earnings. Kidnapping becomes price pressure when it raises the cost of movement. Weak enforcement becomes repeated predation when criminal actors expect low punishment. Public distrust becomes economic withdrawal when citizens reorganise life around avoidance and self-protection. These pathways are what this article calls security-governance transmission.

The fourth implication is that public authority is economic even when it appears security-related. Protecting farms is not only rural security. It is food policy. Protecting pipelines is not only oil security. It is fiscal policy. Protecting roads is not only policing. It is market integration. Prosecuting kidnapping, oil theft, and infrastructure vandalism is not only criminal justice. It is economic governance. This is why the distinction between security policy and economic policy becomes unstable in security-stressed political economies. The argument is not that economic policy should be militarised. It is that economic recovery cannot be separated from the state's ability to protect the spaces through which economic life is organised.

This finding has significance beyond Nigeria. Many African states are not collapsed, but they are unevenly protective. They may maintain elections, ministries, budgets, courts, central banks, police forces, and reform programmes while struggling to secure rural production, infrastructure, mobility, enforcement, and public trust. In such contexts, fragile recovery may persist not because macroeconomic reform is irrelevant, but because reform operates through insecure productive systems. Nigeria therefore offers a wider lesson: in security-stressed African political economies, recovery depends not only on correcting prices, revenues, and exchange rates, but on securing the productive base.

The article's conceptual contribution is to make this relationship visible. Productive protection names the state capacity required to make economic life safely possible. Security-governance transmission explains how insecurity travels from localised violence and predation into national economic fragility. Together, these concepts shift the analysis from the familiar claim that insecurity undermines development to a more precise argument: insecurity becomes macroeconomic when public authority fails to protect production, infrastructure, mobility, enforcement, investment expectations, and trust. The Nigerian case also cautions against two analytical errors. The first is economic reductionism: explaining recovery only through fiscal, monetary, and exchange-rate variables. The second is security reductionism:

treating insecurity only as violence, insurgency, or criminality. The article instead treats insecurity as a political economy process. It reorganises production, movement, extraction, investment horizons, and citizen behaviour. It changes how people farm, travel, trade, invest, and cooperate with public authority. The so what is therefore not a call for a larger security budget or a more militarised economy. It is a call for a better understanding of recovery. If the productive base remains insecure, macroeconomic reform will remain socially fragile. Recovery requires more than stabilisation. It requires public authority that can protect the everyday spaces of economic life.

Conclusion

Nigeria's economic recovery problem is not reducible to inflation, exchange-rate volatility, subsidy reform, fiscal pressure, debt exposure, or weak investment. These variables matter, but they do not fully explain why recovery remains socially fragile even when stabilisation begins to improve selected indicators. This article has argued that Nigeria's recovery problem is also a problem of productive protection: the state's uneven capacity to make economic life safely possible. The argument has developed two linked concepts. The first is productive protection, understood as a form of state capacity. It refers to public authority over the spaces and systems through which citizens produce, move, trade, invest, enforce claims, and trust institutions. The second is security-governance transmission, the process through which insecurity and weak institutional coordination convert localised violence, criminal predation, and infrastructure sabotage into wider economic stress. Together, these concepts explain how insecurity becomes macroeconomic. The article has traced this argument through four arenas of Nigeria's political economy. Farms reveal whether the state can protect rural production. Pipelines reveal whether it can secure fiscal infrastructure. Roads reveal whether it can govern mobility and market integration. Capital inflows reveal whether investors trust the state's capacity to protect long-term productive commitment. Across these arenas, insecurity travels into the economy through productive-space insecurity, critical infrastructure vulnerability, transaction-cost escalation, investor-risk perception, institutional coordination deficit, enforcement credibility deficit, and public-trust erosion.

This analysis does not claim that insecurity is the sole cause of Nigeria's economic fragility. Such a claim would be too broad and empirically careless. Inflation, exchange rates, fuel prices, climate shocks, subsidy reform, weak productivity, infrastructure deficits, policy uncertainty, and global market pressures all remain important. The article's narrower claim is that these pressures are intensified where public authority cannot secure the productive base. Macroeconomic reform may adjust incentives, prices, revenues, and capital signals, but reform becomes socially fragile where farms are unsafe, pipelines are vulnerable, roads are feared, enforcement is weak, and citizens distrust state protection. The wider implication for African political economy

is that recovery in security-stressed states cannot be understood through macroeconomic reform alone. Many African states are not collapsed, but they are unevenly protective. They may maintain elections, ministries, budgets, courts, central banks, police forces, and reform programmes while struggling to secure rural production, critical infrastructure, market mobility, enforcement credibility, and public trust. In such contexts, recovery may appear in aggregate indicators while remaining weak in lived economic reality. Nigeria therefore illuminates a broader problem: economic reform depends on public authority over the productive base. Where the state cannot make economic life safely possible, recovery remains fragile. The question is not only whether a government can stabilise prices, exchange rates, revenues, and reserves. It is also whether citizens can farm, travel, trade, invest, and live under credible protection. That is the political economy of productive protection.

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