



Research Article

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An Empirical Analysis of the Impact of Boko-Haram Activities on Budgeting Processes in Nigeria

Julius Adavize Adinoyi¹

Martin Odhiambo Ouma²

Mumo Nzau³

¹PhD Candidate,

Department of Diplomacy and International Studies,
Faculty of Arts, University of Nairobi, Kenya

²Senior Lecturer,

Department of Diplomacy and International Studies,
Faculty of Arts, University of Nairobi, Kenya

³Lecturer,

Department of Diplomacy and International Studies,
Faculty of Arts, University of Nairobi, Kenya

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Abstract

Countries faced with terrorism in Africa cannot adequately check, advocate, and enable the delivery of public financial management (PFM). The activities of Boko-Haram in Northeastern Nigeria have disrupted public activities and affected key stakeholders' involvement in the budget process, availability of budgeting information and budget performance. This study interrogates the impact of Boko-Haram on budgeting transparency and accountability. The research design was informed by interviews and documented studies. A diagnostic test was conducted on variables to confirm their reliability, validity and normality. Likert scale was used to find out the opinions of the respondents. Descriptive and inferential analysis was adopted in this research. With a significant regression model (p -value < 0.05), the analysis shows that terrorism accounts for 89.28% variation in budget performance. The authors noted fewer scholarly efforts to interrogate how terrorism undermines budgeting as an aspect of PFM in economic governance. Hence recommends more research in this subject area, particularly in other terror affected countries in Africa. This paper recommends increased policy support by enhancing public accessibility of budget documents, engendering consultative forums for citizens' participation in the budget process in secure locations, and timely budgetary reports and audits by relevant government agencies.

Keywords: Nigeria, Boko-Haram, Budgeting, Accountability, Transparency

1. Introduction

The implication of terror acts have grave consequences on governance because it hinders the government's capacity to deliver efficient public financial management, including budgeting

processes. This inefficiency includes but is not limited to the government's incapacity to ensure: an efficient budgeting process, good use of public resources, revenue mobilisation and fiscal transparency. This paper focuses on the impact of terrorism on the budgeting process as one of the four (4) aspects of public financial management.

Budgets should be comprehensive, realistic, accountable in execution, transparent, and policy oriented (Nilüfer et al., 2000, p.36). A comprehensive and realistic budget (Lienert and Sarraf, 2001, p.3) requires that proposals for public expenditure across all government sectors pass through the required process of priority of need and resource competitiveness. Therefore, in order to maintain good budgetary discipline that enhances good economic governance, there is a need for a budgetary system that is transparent, accountable, reported and documented, audited and reviewed.

Budgeting is a critical part of the public financial management (PFM) sector and sets precedence for good financial management. Using the global guideline for budget management systems in Africa (Lienert and Sarraf, 2001, p.1), public financial management in Africa is still at its weakest due to expenditures without appropriate budget approval, inaccurate accounting ledger, poor accounting reports, untimely annual preparation and audit of government accounts. This has created a low budgetary performance in most African countries. Therefore, for countries in Africa to foster effective economic governance, there is a need to adopt good public expenditure practices (International Monetary Fund, 2000, p.2).

In Africa, while proper planning, formulation, review, implementation and evaluation of budgeting processes are critical to budgeting (Obara, 2013, p.50); its scrutiny and performance have underperformed due to issues of terrorism. Public financial management has been greatly affected due to the existence of terror groups like "Al-Shabab in East Africa, Anti-Balaka and Seleka groups in Central Africa, and Boko-haram in West Africa" (Asongu and Nwachukwu, 2017, p.3).

In Nigeria, a report (Federal Government of Nigeria, 2019, pp.xiii-xiv; 22-23) shows that there had been a significant change in the budget performance indicators. But the country still has weak budget credibility due to the inability to forecast sound revenue and cash planning. In addition, north-eastern Nigeria remains a significant security concern and is highly likely to undermine the planned budgetary activities of the State. The 2020 Global Terrorism Index report placed Nigeria above 30th position between 2002-2005, 17th between 2005-2009, 5th position between 2010-2014, and 3rd position between 2015-2019 (The Institute for Economics and Peace, 2020, p.18) due to the rise in activities of Boko Haram and its affiliated group in the north-eastern region of the country.

By implication, Boko Haram's activities over the period of 15 years (2005-2019) have challenged budgeting transparency and accountability. In this research, transparency, considered a sub-dependent variable, involves the impact of Boko-Haram on citizens' and stakeholders' participatory involvement in the budgeting process and timely and effective reporting and documenting of the budget. On the other hand, accountability as a sub-variable is challenged with respect to auditing, reviewing and execution processes of the budget.

2. Literature Review

A Global study suggests that terrorism increases budget deficit and government debt (Warin and de Marcellis-Warin, 2009) and shifts the focus of budget priorities, reducing the funds available for other programs (Graham, 2005). Further research suggests that terrorism reduces participation in the budgeting process (El-Shazly and Hegazy, 2018) and challenges the annual financial statements and quality budget reporting (IMF, 2009, p.15).

In Pakistan, studies revealed that terrorism has a negative impact on budget deficits (Butt and Gulzar, 2014; Amin, Ahmad and Hameed, 2016) and the budgetary process (Akbar and Bilal, 2018). In India, Kumar and Mohanty's (2013) study finds that terrorism negatively impacts budgetary allocations on social and economic programs. The lack of accountability and transparency in public financial management and wealth disparity among the citizens continues to increase in areas with insecurity, including the African region (Andersen and Shimokawa, 2008).

In Nigeria, Mohammed (2017) argues that terrorism has led to poor budget transparency and accountability. Adegbite and Adegbite (2019) argue that terrorism has a negative impact on public finance and budgeting processes because it reduces budget transparency and accountability. A study (Omolehinwa, 2003, p.5) noted that the budget, an expression of the annual monetary terms of a State, is subject to the limitations of various participating economic stakeholders and the environment. Ajibolade and Oboh (2017, p.218) affirmed a defective approach in the annual budgeting system and a fiscal objective realisation deficit. These findings imply that budget implementing regulations and procedures and budget estimates are not followed to the latter, particularly in cases of unbudgeted or unauthorised expenditure, which is not unusual for governments faced with security challenges.

3. Transparency

Budgeting in PFM has changed from a document about the projected revenue to be generated and proposed expenditure; to a document tabled before parliamentary scrutiny and approval. Some studies (Faleti and Myrick, 2012, pp.193–196; Olayide and Ikpi, 2010, p.90) outlined that the budget guides the State's economic direction and communicates the government policy framework. Esu and Inyang (2009, p.98) states that indicators for performance and evaluation are two critical issues in government budget performance. Morgan (2002, pp.14–27) outlines that the "operational purpose of budgeting involves planning, evaluation of performance and communication of the goal and strategy to be used". More often than not, the budgeting process has failed to factor-in the effect of terrorism on the capacity of the government to scale through the formulation, approval, implementation and evaluation budgeting phases in Nigeria (Chuku et al., 2017, pp.2–3). Thus, this assertion suggests that the impact of terrorism needs to be methodically considered with respect to transparency (Chuku et al., 2017, p.27).

4. Accountability

A report by Olomola(2012) noted that the quality of good budgeting involves maintaining budget discipline and a number of critical processes. Budget discipline involves setting realistic revenue and expenditure projections; compliance with frameworks pertaining to the timely implementation of financial laws and regulations. He added that a good budgeting process passes through the conception, preparation, approval, execution, monitoring, control, and evaluation stages. Omolehinwa and Naiyeju(2011) affirmed that Nigeria was yet to fulfil those good qualities of budgeting as of 2012. Dadi et al. (2019, pp.7–8) argued that Taraba State has been less accountable to the public and has poorly performed in the budgeting process, especially in citizen participation and budget implementation. Onyiah et al. (2016, p.1,11) suggests that States' is usually constrained by the poor implementation as most projects are uncompleted or abandoned.

The Public Expenditure and Financial Accountability (PEFA) report in 2019 rated the legislative scrutiny in Nigeria as poor (D) because of the lack of proper timing of budget approval and poor legislative procedure for scrutiny.(Federal Government of Nigeria, 2019, pp.84–85) in Yobe, for instance, budget credibility, comprehensiveness and transparency, policy-based budgeting, execution, recording and reporting, scrutiny and audit are below average(Eze and Olabimtan, 2010, pp.9–12).

Muraina and Dandago(2020, pp.23,32–33) argues that the 2015 financial reform in Nigeria has brought about transparency and accountability in budgeting processes and quality financial reporting. However, Igboke and Raj (2021, p.1) argued that budgetary reports and documents are not narrative enough and often not presented in a more straightforward format for stakeholder and citizen engagement. Ikechi et al. (2020, p.48) suggested that stakeholder agreement, legal and ethical compliance systems scrutiny by citizens and CSOs, and digitising budget information are ways to increase budget transparency.

Anchoring this study on systems theory helps to illustrate systemic interruptions in the formulation, implementation, enforcement and regulation of budget processes caused by Boko-Haram. The theory also helps to explain the impact of terrorism on the complex interaction and participation of actors like civil societies, citizen, and legislators in the budget process.

5. Methodology

The study population was drawn from the six (6) States north-eastern Nigeria region. The researchers conducted 47 interviews consisting of representatives from the State House of Assembly, tertiary institutions, civil society organisations, the office of the accountant general, the office of the auditor general, the State Revenue Authority, the Ministry of Finance, Budget and Planning, and the private financial business.

The secondary data on the number of terror attacks, deaths and injuries caused by terrorism was sourced from the Global Terrorism Index database. Data on budget estimates, expenditures and their availability to the public were collected from the websites of the International Budget Partnership, Civil Resource Development and Documentation Centre, and the State governments. The study adopted a phenomenal (Moustakas, 1994, p.5) method of inquiry by conducting interviews and assessing documented studies relevant to this research (Žukauskas et al., 2018, p.25). The paper further uses descriptive analysis and regression to present the relationship between variables of terrorism (independent variable) and the budgeting process (dependent variables).

The descriptive analysis incorporated percentages and frequencies to reveal interpretations in either proportional or absolute terms and Means and Standard deviations (STD) were also used and interpreted accordingly. The STD was obtained to reflect the variability of responses, while the mean was used to determine the degree and rating of the responses. Likert scale was used to determine the respondents' opinions on a scale of 1-5 (1 being strongly disagreed and 5 is strongly agreed). On the other hand, the inferential analysis incorporated regression analysis to establish the direction, degree, and strength of the linear correlation between the budgeting process (represented by the amount of budget implemented in Naira) and terrorism. This study hypothesised that terrorism negatively influences budget transparency and accountability in northeastern Nigeria.

6. Findings and Analysis

6.1 Transparency

The composite finding from the respondents' level of agreement/disagreement on transparency indicators reveals that terrorism negatively affects budget transparency. This is evident by (mean =2.16, standard deviation =0.892).

Table 1: Statement on budgeting process participation, reporting and documenting

Statement: State is able to conduct the following despite terrorism	Mean	STD
Participatory budgetary planning	2.09	0.996
Budgetary reporting	2.00	0.989
Budgetary documenting	2.02	0.989

Regarding budget participation, the respondents disagree that the State can conduct an inclusive and participatory budgeting process involving all relevant stakeholders, as presented in Table I. This finding is supported by existing scholarly data that shows that the public participation trend in Nigeria decline from 31% in 2012 to 22% in 2019(International Budget Partnership, 2012, p.55, 2015, p.72, 2017, p.57, 2006, pp.24-27, 2019, p.85). Data from Civil Resource Development and Documentation Centre (2015, p.31, 2018, p.35) shows a significantly low level of public participation across the States in the northeast region. Adamawa and Bauchi declined from 14% in 2015 to 0% in 2018. The significant decrease in Adamawa may result from principal budget officers' inaccessibility of terror-affected areas and the

insecurity of holding a stakeholder meeting in terror-affected communities(Interview with First Bank Nigeria Plc., October 07, 2021). Borno had zero level of participation, while Gombe State, which recorded 0% in 2015, increased by 10% in 2018. A finance and economic scholar(Interview with Gombe State University, Gombe, October 04, 2021) at a university in Gombe noted that terrorism by Boko-haram has prevented participatory budget planning and processes in the State. Taraba and Yobe State declined from 25% and 20% in 2015 to 10% and 5% in 2018, respectively.

One respondent indicated that;

"Some communities are inaccessible due to terrorism which affects transparency; terrorism prevents participatory budget planning.... It kills growth and development of status.... it limits the State to have wider consultation because some areas are no go areas".(Interview with Federal University Kashere, Gombe, Gombe, September 14, 2021)

The report by International Budget Partnership (2012, p.55; 2015, p.72, 2017 p.57, 2006, pp.24-27, 2019, p.85) on the open budget index, on a scale of 1 to 100, scored Nigeria 20% in 2006. This transparency score of the budget is far below average and a cause for worry. The lowest level of transparency was in 2012, and an all-time high of 24% was experienced in 2015. The Nigerian State Budget Transparency Survey (Civil Resource Development and Documentation Centre, 2015, p. 31, 2018, p. 35) shows that in 2015, Taraba and Adamawa States scored (39%) the highest while Borno scored (10%) the lowest. The critical trend from the survey shows that five (5) out of the six (6) States in northeast Nigeria declined in budget transparency score between 2015 and 2018. Only Gombe State improved its budget transparency from 21% in 2015 to 36% in 2018, which is still far below the budgeting standard. Over and above, none of the States in the northeast scored above average, indicating very weak transparency of the State Governments. A study (Civil Resource Development and Documentation Centre, 2015, p.9) on the State Government's budget transparency in Nigeria found that State budgeting and procurement systems are not open and participatory. The report indicated a low public participatory budgeting process level and less access to timely and comprehensive budget information (Civil Resource Development and Documentation Centre, 2015, p.10). Thus, to a greater extent, they cannot hold the government to account. The lack of detailed budgeting information and poor transparency enhances unauthorised, wasteful and corrupt spending.

Ranking of the open budget index and participation in north-eastern Nigeria from 1-100 shows that the region barely passed 1/6 (15.7%) of the obtainable score of 100%. Public participation (8.3%) is the least performing element when compared with other elements of the budgeting process. Among the six (6) north-eastern States, Borno State scored the lowest (5%) in budget process ranking. Bauchi also underperformed with a score of 9.5%. The top-performing State is Taraba State, with a score of 27.5%.

Regarding budget documentation and reporting, Table 1 shows that the respondents disagree that the State is able to conduct proper budget documenting and reporting. A report (Federal Government of Nigeria, 2019, p.62) in 2019 indicated that Adamawa and Taraba had published their audited financial statement, Bauchi and Yobe published an unaudited financial statement, and Borno and Gombe had not published any (Federal Government of Nigeria, 2019, p.124).

Table 2: Public availability of budget documents in Nigeria

Document availability (Yes or No)	Year							Score of 7 years
	2006	2008	2010	2012	2015	2017	2019	
Pre-budget Statement	No	No	Yes	Yes	No	No	No	1
Executives' budget proposal	No	Yes	Yes	Yes	Yes	Yes	Yes	6
Citizen Budget	No	No	Yes	No	Yes	No	Yes	3
Enacted Budget	No	Yes	Yes	Yes	Yes	Yes	Yes	6
Quarterly performance reports (Q1, Q2 and Q3)	No	No	No	Yes	No	No	No	1
Audit report	No	No	No	No	No	Yes	No	1

Source: (International Budget Project, 2006, pp.29-33; International Budget Partnership, 2008, p.40, 2010, 2015, p.70, 2012, p.53, 2017, p.59, 2019, p.88)

According to the International Budget Partnership report compiled in Table II, the survey shows that most critical budget documents are not publicly available, and only two essential document categories (Budget proposal and the enacted budget) were made available.

Table 3: Key Budget Documents Published in North-eastern Nigeria in 2015 and 2018

Budget Phase	Budget document	States that publicly published	
		2015	2018
Formulation	Budget circular	Adamawa, Taraba and Yobe State	
	Budget Draft	Adamawa and Gombe State	
Approval	Budget Appropriation Law	Adamawa, Taraba and Yobe	Gombe
	Citizen Budget		
Execution	Quarterly Reports		Yobe
	Mid-year review		
	End year review		Yobe
Audit	Audit General report		Gombe and Yobe

Source: Civil Resource Development and Documentation Centre, (2018, p.34, 2015, p.24)

From Table III, the Nigerian State Budget Transparency Survey in 2015 and 2018 noted that in the formulation budgeting phase, only Adamawa published its budget circular and draft in 2015. None of the six (6) State Governments in the north-eastern region timely published their document when due. The timely public publication of the budget appropriation law was fulfilled by Adamawa, Taraba and Yobe States, respectively, in 2015. An interview (Interview with Taraba State University, Jalingo, September 16, 2021) in Gombe State noted that Boko-haram has distracted both those in governance and the citizens; he quoted:

"What we normally hear from our State Governor is the presentation of the budget to the State HoA, but the level of the budget execution and reporting, we do not hear that".

Only Gombe State published its appropriation law in 2018, and none of the other States timely published the citizen budget in the same year. Only Yobe State timely published its quarterly and end-of-the-year budget review in 2018. The auditing system in the region is still deficient since none of the State governments published their timely audited statement in 2015.

Table 4: Online Public Access of North-east States' Budgetary Documents

State	Number of Annual Budget documents (2005-2019)	Number of Annual Financial statements (2005-2019)
Adamawa	1 (2005 to 2018 missing)	9 (2005 to 2009 and 2011 missing)
Bauchi	3 (2005 to 2014, 2016 and 2018 missing)	4 (2005 to 2015 missing)
Borno	4 (2005 to 2016 missing)	9 (2005 to 2010 missing)
Gombe	5 (2005 to 2014 missing)	6 (2005 to 2013 missing)
Taraba	10 (2005 to 2009 missing)	3 (2005 to 2016 missing)
Yobe	9 (2005 to 2011 missing)	11 (2005 to 2008 missing)

Source: Compiled from State Government Websites

Despite the Freedom of Information Act (2011), government documents available for public scrutiny and fiscal transparency are still worrying as enumerated in Table IV. For example, Bauchi State had the least number of budget documents and financial statements available to the public online. An activist (Interview with Open-governance Activist, Bauchi, September 04, 2021) in Bauchi State quoted that:

"There is less publication from the State Auditor-General... and ...evaluation reports are not made public."

The Yobe 2017 PEFA report (Yobe State Government, 2017, pp.37-39) noted that the State government had increased the effort to make available to the public via online platforms, the budget presented to the State HoA, budget performance reports, the State's financial statements, appropriation laws. However, information available to the public is sometimes less comprehensive and inaccurate due to reduced stakeholder involvement influenced by the activities of Boko-haram.

7. Accountability

The composite finding from the respondents' level of agreement/disagreement on accountability indicators reveals that terrorism negatively affects budget accountability. This is evident by (mean =2.28, standard deviation =0.817).

Table 5: Statement on Budget Auditing, Review and Monitoring

Statement: State is able to conduct the following despite the terrorism	Mean	STD
Budget auditing	2.09	0.996
Budget reviews	2.13	0.824
Project monitoring and inspection	2.67	1.087

With respect to budget auditing, the respondents disagree that the relevant authorities in the State are able to conduct budget auditing as presented in Table V. In Nigeria, a report (International Budget Partnership, 2010, p.9,49,51, 2012, p.55, 2015, p.72, 2017, p.57, 2006, pp.24-27, 2019, p.85) shows that the audit score for the supreme auditing institution periodically increased from 0% in 2005 to 50% in 2015, and 72% in 2019. The PEFA report (Federal Government of Nigeria, 2019, pp.119, 125) in 2019 indicated that only about 56% of planned audits are implemented, and less than 5% of the recommendations from the audit findings are implemented.

A respondent claims that:

"... in the event of terrorism, some projects constructed or under construction will be destroyed as a result of the activities of terrorists... budget audits are done but not in a timely manner. This also includes review and monitoring". (Interview with Taraba State House of Assembly, Jalingo, September 28, 2021)

Furthermore, Table VI shows that the respondents disagree that the State is able to conduct a budget review and project monitoring and inspection. As terrorism prevails, budget auditing, reviewing, project monitoring, and inspection are mostly done through paperwork. One respondent argues:

"That terrorism has made the process of accountability a little less transplant. However, the State budget has been reviewed severally.....I have never heard of budgeting being audited during terrorism, but budget reviews are made where budget funds fall short of the requirement." (Interview with Gombe State University, Gombe, October 04, 2021)

In Nigeria, a report (International Budget Partnership, 2010, p.9,49,51, 2012, p.55, 2015, p.72, 2017, p.57, 2006, pp.24-27, 2019, p.85) shows that the score for legislative scrutiny of the budget declined from 62% in 2006 to 76% in 2012, and 47% in 2019. Concerning the implication of terrorism on budget presentation and its passage at the State House of Assembly, some respondents states that terrorism would delay budget presentation if there were no efficient data to inform the decisions of State Ministries before they are presented for scrutiny before the budget is passed.

Conversely, one of the respondents quotes:

"Since the issue of terrorism is not common in Bauchi State, the governor's budget presentation on the House of Assembly floor and its passage and assent are successfully done..... Budget presentation,

passage and assent are not influenced by terrorism in most States of the country, but it has consumed a significant proportion of the budget in affected State".(Interview with Abubakar Tafawa Balewa University (ATBU), Bauchi, September 20, 2021)

An interview with the Nigerian Stock Exchange (Interview with Nigeria Stock Exchange, Damaturu, September 13, 2021) reported that due to challenges created by Boko-Haram in north-eastern Nigeria, there are delays in the phases of the budget process of the States in the region. As a result, the executives' budget proposal to the House of Assembly (HoA) is usually not timely, and approval by the HoA is delayed. Another critical concern with the State HoA, as quoted by the Taraba State Office of the Auditor-General (Interview with Taraba State Office of the Auditor General, September 03, 2021), is that;

"State Governments/Assemblies have capitalised on the prevalence of terrorism to rashly make a hasty budget presentation, passage and assent which in the end gives room for a lot of flaws".

An interview with the Adamawa State Ministry of Finance (Interview with Adamawa State Ministry of Finance, Budget and Economic Planning, Yola, October 11, 2021) noted that the State had significantly made progress in budget reporting, documenting, and citizen involvement. A comparison between the budget estimate and the budget executed shows that budget performance is still at its minimum in the region. A report from the State government's website shows that, on average, Adamawa was able to implement over 126% of its approved budget estimate in 2005-2009. This is the only period that any State in the northeast experienced surplus budget execution. However, Adamawa dropped significantly by 33% in its budget deficit from 98% in 2010-2014 to 65% in 2015-2019.

8. Regression Analysis

Table 6: Regression Results between Terrorism and Execution

Ln Budget Execution	Robust Coefficient.	Std. Err.	z	P>z
People killed	9.57e-06	0.0000508	0.19	0.851
People wounded	-0.00042**	.0001513	-2.77	0.006
Property	0.04468	0.3063	0.15	0.884
Terror type	-2.347**	0.2118	-11.08	0.000
GDP Naira Billions	-0.0027**	0.0008914	-3.05	0.002
Constant	24.86	0.1625	153.00	0.000
P value= 0.0000				
R squared= 0.8928				
Adjusted R squared=0.7564				

*Ln Budget execution =natural logarithm of budget execution, ** Sig at 5% level*

This regression analysis was achieved by finding the composite index for terrorism and budgeting and then conducting a simple regression analysis to establish the significance level. The index for terrorism is the number of people killed, wounded, property destroyed, and type of terrorism. The composite index for budgeting is budget execution, and the intervening index is the GDP of States in northeast Nigeria. The results in Table VI indicate a strong relationship between terrorism and budget execution (R Square value = 0.8928). This means that terrorism explains a 89.28% variation in the executed budget. The results also reveal that the overall model coefficient is significant (p-value <0.05). This led to rejecting the null hypothesis, implying a significant relationship between terrorism and budget execution. Additionally, people wounded, terror type, and GDP have a significant coefficient, while people killed, and property destruction have an insignificant coefficient. Therefore, the final model is given as follows.

$$Y = 24.8674 - 0.0004185X_1 - 2.34X_2 - 0.002716X_3$$

Where, Y is the budget executed, X₁ is people wounded, X₂ is terror type, and X₃ is GDP.

The terrorism (independent) variables' coefficients in the model show how much and in what direction they affect the Budgeting (dependent) variable. The budget implemented will drop by 0.04185 percent for every injured victim of terrorism, according to the coefficient of X₁ (-0.0004185). The coefficient of X₂ (-2.34) indicates that the budget implemented reduces by 234 percent as the severity of the terror type increases. Keeping all other factors equal, the coefficient of X₃ (-0.002716) indicates that a rise in GDP (intervening variable) will decrease the budget executed by 0.27 percent. However, the inverse link between X₃ and Y can be a result of multicollinearity problems or omitted factors.

The results of the quantitative research demonstrate that terrorism has a negative impact on budget transparency and that there is little public participation in northeastern Nigeria. For budget transparency, only Taraba State received the best regional rating. Additionally, the documentation and reporting of the budget are not conducted properly, and most importantly, budget documents are not made available to the public for scrutiny. According to the qualitative analysis, the lack of access to terror-affected areas, the insecurity of holding stakeholder meetings in these communities, and the obstruction of participatory budget planning and processes, particularly in Gombe and Borno State, as a result of Boko-haram activities, are all factors contributing to the decline in public participation in the northeast region.

9. Summary and Conclusion

This paper reveals that States in north-eastern Nigeria struggle to meet the standard of a good budget process, likely due to terrorism. The effort by the State government to publicly avail budget documents are still below 30%. The National level of public participation in the budget process stands at 18.2% against 8.35% for State governments in the northeastern region. At the State level, citizen participation was lowest in Borno State (9%) and highest in Taraba (35%). These figures point out the magnitude of terror impact in the region. This trend indicates that most of the States in the northeast cannot meet the demands of the budget estimate due to poor budget estimate forecasting and budget execution. The regression analysis shows that in contrast to the positive conclusion that the budget executed increases as GDP increases, the negative implication is that the budget executed declines when the severity of terrorism increases.

In conclusion, the budgeting process in northeastern Nigeria is a complex system with interdependent pieces when the systems theory is applied. This system has been hampered by Boko Haram's actions, leading to poor public budgetary engagement and low participatory planning, reporting, documenting and auditing of the State's budgeting system. Hence, this affirms the hypothesis that the activities of Boko-haram exacerbate poor budget transparency and accountability in northeast Nigeria.

Consequently, this paper calls for increased support by policymakers and the government to enhance citizens' participation in the budgeting process. Such facilitation will include engendering consultative forums in secure locations and increasing the accessibility of simplified budget documents over the Internet to citizens. Enhanced reporting and auditing of budgetary documents will provide good fiscal management, transparency and forecasting.

On the basis of the results of this work, additional research into how terrorism affects budget accountability and transparency in other parts of Nigeria and other nations can be conducted. This paper also recommends investigating the link between the extent of public participation in budget preparation and the accuracy of budget forecasting and implementation in the northeastern States. Lastly, this study considers that examining the variables that affect state governments' readiness to release financial documents to the public and follow audit recommendations could serve as pointers for policymakers.

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