

## **Nigeria Land Border Closure: Implication On Rice Smuggling And Local Production**

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### **Abstract**

*The foreign policy of a nation is framed to protect and stimulate its national interests in the execution of bilateral or multilateral relations with other nations. Foreign policy includes both choices and activities. These choices and activities comprise to some substantial level relations between one nation and others. Nigeria embarked on land borders closure as choice to protect her national interest against rice and other commodity smuggling. The objective of this study is to examine the border closure policy of the Nigerian government, as well as, relating it to the national interests of the nation, particularly in the areas of rice production, curbing arm proliferation, and smuggling. The study adopts qualitative research methodology, using explanatory approach to discuss the variables. The independent variable is Nigeria border policy and the dependent variable is rice smuggling activities. The study finds that rice production increased from 3.2 million tonnes to 6.4 million tonnes with a revenue earning of about US \$2.6 billion in 2019 alone as against average revenue of US \$18.3 million in 2011. Also, there are evidence showing that border closure saw a remarkable decrease in land border smuggling activities. The issue of arms proliferation was also put in check.*

**Keywords: Nigeria Land Border, Rice production, Smuggling, Arms proliferation, Protectionism policy**

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## **INTRODUCTION**

A country's foreign policy is designed to advance and safeguard its own national interests when executing bilateral or multilateral ties with other countries. It is a reflection of a nation's conventional values and overall national policies, its objectives and self-perception. Foreign policies are the strategies, frameworks, blueprints, and agreements that States employ to carry out their activities in the global sphere. These days, every country establishes diplomatic, economic, trade, educational, cultural, and political ties with other nations, which encourages the maintenance of those ties with other nations as well as with international organisations and non-governmental actors in international relations. Thus, International Relations tries to describe the behaviours that ensue across the limitations of states and organizations such as private, state, governmental, non-governmental and intergovernmental supervise those interactions (Ahmed, 2020).

The foreign policy includes both choices and activities. These choices and activities comprise some substantial level of relations between one nation and others. Foreign policy convenes a sense of bearing to a state. It delivers sufficient tools for the appropriate journey to this route. It produces a sense of purpose as well as assurance to attain that drive. In that setting, it serves as an essential instrument of each nation in world affairs (Ahmed, 2020). Hence, in international politics, foreign policies are like a deed comprising national interests revealing the parts of the contract and discrepancy. Sovereign states carry out their foreign relations and interact with one another through their foreign policies. It clarifies the ideas that the state would use to exercise its power in a very practical way. A country's foreign policy is intended to defend and advance its interests in international interactions, both bilaterally and multilaterally. Border closure is a protectionist practice that forbids the flow of people or

products between separate authorities with controlled or no related segregation (Aniukwu, 2020).

The Federal Government of Nigeria issued an Administrative Order on August 20, 2019 to close the country's land borders to all imports, including those of rice and automobiles. This command sparked a backlash from neighbours including Cameroon, Togo, and the Benin Republic, as well as local importers of rice. As a result of this embargo, rice smuggling via Nigeria's land borders increased dramatically as rice exports to Nigeria's closest neighbours Benin and Cameroon increased from 449,297 tonnes to 775,175 tonnes and 1,811,164 tonnes, respectively, from Asian markets, mainly Thailand (TREA, 2020). Several countries over-imported, and through haphazard traders they sneaked the excesses into Nigerian markets taking advantage of its weak and porous borders. As several analysts have noted, Benin and Togo have purposefully maintained low import taxes to support their positions as entrepôts for Nigeria whereas Nigeria has long had some of the most onerous import impediments in the world, including extremely high tariffs and import bans (Igué and Soulé, 1992).

Most traders that operate informally in the Benin-Nigeria corridor have suffered unfavourable penalties as a result of the border closure (Mbaye et al, 2019). This is a result of the markets in Nigeria and Benin being interwoven (Golub & Mbaye, 2019). Because Nigeria's land border prohibition with her neighbours violates ECOWAS and AU norms, the Heads of State of ECOWAS established a committee on February 10, 2020, under the direction of President Roch Kabore of Burkina Faso. The Nigerian government, on the other hand, asserted that the border closure was a positive development for the country's economy because it increased local production of food crops like rice while reducing domestic consumption of petrol. Nigeria pledged to support the closing of the land border as long as its neighbours, primarily Benin, Niger, and Chad, put an end to the smuggling of goods across their borders. Expectedly, indigenous rice farmers praised the development and supported the government's expectation that the anticipated outcomes would gradually become clear. Belsky's (2016) investigation into rice, politics, and power gave the rice industry a motivating undercurrent. He bases his argument on the interdependence of the three, highlighting how the control of rice production, processing, and marketing, as well as export, has serious political repercussions in East Asia. Similar to East Asia, Nigeria depends heavily on rice as a staple food. Furthermore, the discussion provides a detailed conceptual framework that conceptualizes highlighted concepts, and specific relationships between the concepts and the case study are traced. The means and the ways of foreign policy that should be taken will be further discussed.

The objective of this study is to examine the border closure policy of the Nigerian government, as well as, relating it to the national interests of the nation, particularly in the areas of rice production, curbing arm proliferation, and smuggling.

## RESEARCH METHODS

The study adopts a qualitative research approach. The adoption of qualitative research approach is motivated by the interest in investigating the richness of the inside story of specific events, as well as knowledge and facts on the Nigeria land border closer and its implication on rice smuggling and local production. The aim is to gain an understanding of the various viewpoints, insights and deductions that helps interrogate the issue of border closure policy of the Nigerian government, as well as, relate it to the national interests of the nation, particularly in the areas of rice production, curbing arm proliferation, and smuggling. This approach also helps in gaining more comprehensive understanding of the independent and dependent variables of the study, as well as respond to the critical research questions of the study. In this approach, information on the topic was compiled from secondary data sources including

government policy briefs, public policy publications, reports, scholarly articles, journal publications, books, and online sites, among others. Institutional and official records from the Nigerian Ministry of Defence, Ministry of Foreign Affairs, security agencies, and National Bureau of Statistics are additional particular secondary sources for data. Thematic analysis is used to conduct the data analysis in this. Thematic analysis is one of the most popular methods for analysing qualitative data, and it entails looking for recurring themes that are important to the research topic, according to Bryman (2012:578). The study's theoretical explanation of data based on the independent variable Nigeria's border policy and the dependent variable rice smuggling operations is provided by a theme, which is a group of indicators developed through data analysis that connects to the research objectives. As a result, a thorough evaluation of the subject's existing electronic and print documentation took place, and conclusions that were in line with the study's objectives were drawn.

## RESULT AND DISCUSSION

### **Conceptual Framework: Rice Production**

Nigerians consume 32 kilogrammes of rice per capital, making it one of the country's staples. With an average annual production volume of 8 million metric tonnes, Nigeria is the largest producer of rice (paddy) in Africa. Nigeria ranked as the world's fourteenth-largest producer of rice as of 2019, with China being the top producer.

### **Concept of Protectionism**

Economic protectionism is the practise of limiting imports from other countries by measures like import quotas, tariffs on imported goods, and various forms of government regulation. It is viewed as a trade strategy that protects domestic trade against competition from abroad.

### **Arms Proliferation**

Proliferation, according to Hazan and Horner (2007), is the growth or multiple duplications of illegal armaments and munitions within a country. In the context of this topic, the term "arms proliferation" refers to an impulsive increase in the quantity of arms and other weapons that exceeds what is actually necessary for genuine national security. This indicates that state supplier receivers do not exercise additional control over the production, transfer, and acquisition of such guns and weapons. These unidentified groups may have committed this act for commercial or political objectives. These weaponry and weapons are easily obtained by private individuals.

### **Smuggling**

Smuggling is the illegal transportation of goods, materials, information, or persons, such as out of a home or building, within a jail, or across an international border, in violation of any laws or other restrictions that may be in force. Smuggling is hence the appearance of excise taxes on commodities through the evasion of border controls (Ugwuja & Chukwukere, 2021).

### **Results for Variables**

#### **Independent Variable: Nigeria's Land Border Closure**

Countries utilise land border closure policies as a border management tool to maintain their sovereignty, safeguard their sociopolitical interests, and advance their economies and overall development. The Federal Government of Nigeria made the crucial choice to close its border in August 2019. This decision was made after sessions of focused discussions on matters bordering on the economy and national security interests. While the closure seemed to strain Nigeria's relations with her neighbours, considering the reasons Nigeria gave was for security purposes and economic interest, the Nigerian government's action was permitted under the General Agreement on Trade and Tariffs (GATT) an umbrella treaty for trade in goods of

the World Trade Organization (WTO). It might be argued that the land border closure is a worthwhile initiative because it reduces smuggling, particularly of weapons and ammunition. Many people who view the closure as a means of combating the insecurity that Nigeria is now waging war against have explained this claim. Although sealing Nigeria's land borders provides many advantages for the country's population, like all other protectionist measures, it also has drawbacks, particularly for the general populace.

### **Dependent Variable: Rice Smuggling Activities**

The most common staple food in Nigeria is really rice, which makes it very well-liked and constantly in demand by Nigerians of all ages. Rice may always be found in abundance in the nation's major markets. The fact that 70% of the rice sold locally is foreign parboiled rice, whereas locally produced rice has been oversupplied and hardly has a place in the market, is more concerning. Long-term rice smuggling into Nigeria appears to have reached a point where it dominates the market and drains foreign currency through capital flight. This circumstance made it difficult for the nation to boost domestic manufacturing of the good. Smuggling of foreign parboiled rice from across the borders (mainly Benin Republic) posed a threat to the rice industry in Nigeria.

In 2015, the government, acting through the Central Bank of Nigeria (CBN), outright prohibited the importation of rice across land borders while imposing a 70% duty on imports through seaports. The government justified this action as a way to preserve the country's foreign reserves and promote domestic production. Imports continue to fill that supply shortfall despite the government's hefty taxes. Even worse, some importers choose to smuggle rice across porous land borders rather than pay the high import fees, oblivious to the hazards involved. The worst part is that the smuggled rice's quality could not be confirmed, putting the unsuspecting folks' health at risk. In 2016, concerns were expressed about phoney rice, commonly referred to as "plastic rice," entering the nation from China. The situation was later curtailed as the Customs were immediately placed on red alert. As if that weren't enough, the Federal Government issued a warning in 2017 that certain brands of hazardous foreign rice were in use.

### **The Nexus between Border Closure, Rice Production, Smuggling and Arms Proliferation**

The Nigerian government anticipated the border closure to increase rice production by inspiring indigenous production and providing a competitive benefit to the indigenous producer. The policy is also expected to assist in controlling arms proliferation and smuggling activities through restrictions at border frontlines and border security.

### **The Case Study:**

#### **What?**

The protectionist policy taken is the border ban policy implemented by the Nigerian government in August 2019, where Nigeria partly locked its land borders and in October 2019, stopped all trade through the land borders.

#### **Why?**

Nigerian authorities activated the border closure policy due to frustrations experienced from the smuggling of rice and other illegal export of indigenously subsidized petrol to neighbouring countries. Nigeria seemingly anticipated the closure to toughen its trades and position it for exports in West Africa. The closure may perhaps have occasioned new smuggling courses as illicit traders are resolute to transfer their goods across borders. The borders were closed centred on candid reasons which comprised the trafficking of arms and light weapons, drug peddling and the indiscreet influx of banned items into Nigeria's trade atmosphere through the borders (The Guardian, 2020).

Nigeria executed the protectionist policy (border closure) in a bid to curtail smuggling, expand rice production and curb arms proliferation. The effect of the protectionist policy on its close neighbour, the Benin Republic was negative, as it resulted in a gridlock in the trade flow

to Nigeria. However, it aided in reducing the smuggling of rice and other banned commodities, as well as restraining the proliferation of arms. There was an upsurge in the local production of rice from the first year of the border closure. While the projection surpassed the production, several dynamics inhibited production in that year. For instance, in the same year, floods destroyed some of the yet-to-be-harvested crops, while the activities of bandits also discouraged production activities.

### How?

The border closure commenced in August 2019 when the President of Nigeria, President Muhammadu Buhari gives a directive to the Nigerian Customs Service for the closure of Nigeria's land border with Benin, to avert the importation of goods. While the Nigerian border has been closed numerous times, in order to attain this, the application of the policy was geared toward checkmating the incursion of poor goods and unfair rivalry in the Nigerian market as well as curbing smuggling (Aniukwu, 2020). The closure of the Seme and Idiroko borders represents diverse situations for the nation, its neighbours and the citizens living in the border communities. Before the closure of the Seme and Idiroko borders, the Federal Government of Nigeria had clogged the issuance of "Form M" to importers willing to import goods by sea. As a consequence, no goods were imported to the country through the seaports in the past four years.

### Analysis of the Implication of Nigeria's Border Closure

Due to having to produce an additional 3.5 million tonnes of rice for interior consumers, the local rice farmers appear to have benefited the most from the rice ban and the resulting border restriction. Smallholder farmers and industrial producers make up these local rice growers. Rice output increased from 3.2 million tonnes to 6.4 million tonnes between 2004 and 2018, respectively (see Figure 1). Yet, only roughly 3.6 million tonnes/ha of land were harvested due to a lack of automation and other factors, such as crop and farm instability. The government's stance on border closure has also been drawing the attention of local millers, who previously had to compete, although dishonestly, with imports of cheap rice (Tondel, D'Alessandro, Hathie & Blancher, 2020). The Nigerian Customs Service (NCS), one of the government organisations that greatly benefited from the complete closure of the land border, is one of the local manufacturers of the item. The National Bureau of Statistics reports that the NCS generated record earnings of roughly US\$2.6 billion as a result of the border closure in 2019 alone (Nairametrics, 2019). This is enormous, especially in light of the previous record average income of \$18.3 million in 2011.

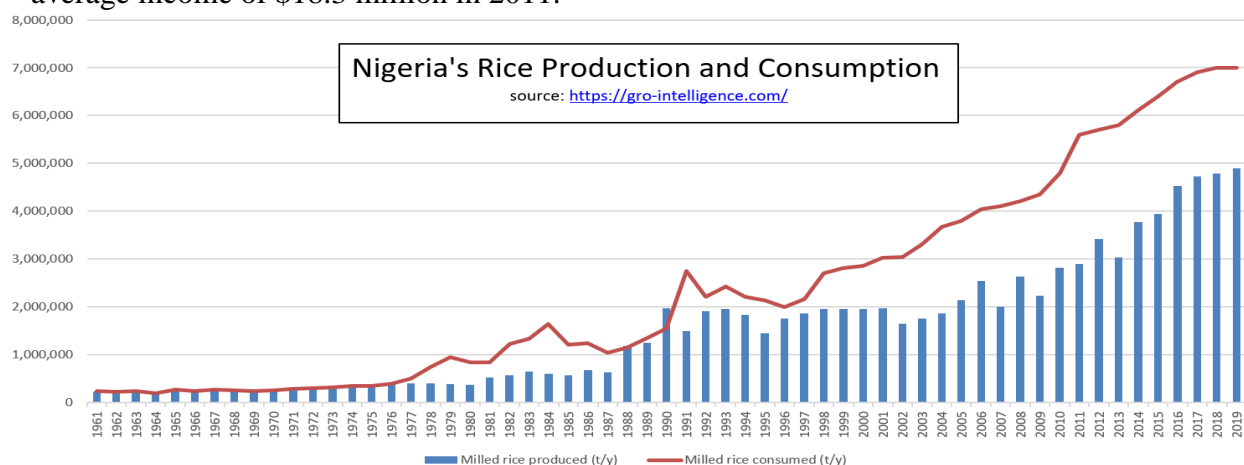


Figure 1: Nigeria Local Rice Production and Consumption (Source: <https://gro-intelligence.com/>)

The Nigerian government noted that security has largely improved as a result of the land border closure, especially in border regions in the north and southwest. The rice ban and border closure have also benefited investments made by the private sector and state governments in the rice business. Olam Rice Farms, Stallion Foods, Best Foods, Tara Rice, Lumana Rice, and Umza Farms are a few of these recipients. Others include the Dangote Group, Imo Rice, Kebbi Rice, Kano Rice, Ebonyi Rice, and Anambra Rice. Yet, the populace it intends to safeguard is still experiencing a range of responses to the policy's intended consequences, which are generally good Ugwja and Chukwukere, 2021.

According to Munshi (2019), the largest impact has been seen by Nigeria's sizable informal sector, which accounts for 65% of the country's GDP and is the largest in sub-Saharan Africa. On average, more than half of Nigerians also live in poverty. Food costs rocketed by 14.1% in the same time to an 18-month high, driving up inflation in October to 11.6% y/y. The average Nigerian spends 60% of their income on food, and the price of rice, the country's most vital staple, has unevenly increased since the borders were closed. Certain international organisations, including the Economic Community of West African States (ECOWAS), ASEAN-China Free Trade Area (ACFTA), and World Trade Organization, criticised Nigeria's rice policy and the ensuing border shutdown (WTO). Nigeria is a signatory to the ECOWAS Protocol on Free Movement of Persons and Goods, which guarantees citizens of signatory states with unrestricted movement. As long as they have a valid travel document and an international health certificate, the Protocol on the Free Movement grants Community citizens the right to enter and reside in the territory of any member state. Bearing in mind the above, the border closure is contradictory and harmful to the ECOWAS Covenant of which Nigeria is a founding nation (Songwe, 2019).

Research on this subject also revealed that closing borders considerably decreased the proliferation of weapons and arms trafficking. The degree of unrest and conflicts throughout the country may be an indication of the prevalence of weaponry under the possession of non-state actors. Small arms and light weapons, many of which were transported across borders, are widely available in Nigeria. Out of the 857 million small guns and light weapons in use worldwide, 500 million are illegal, with 100 million of them found in sub-Saharan Africa, according to recent research. Around 7.5% of that is in Nigeria. The UN Regional Centre for Peace and Disarmament and the Presidential Committee on SALWS also discovered recently that about 350 million of 500 million illicit weapons in West Africa are in Nigeria (This Day live, 2020).

With Chad, Cameroon, Benin, and Niger, Nigeria shares around 4,470 square kilometres of international land boundaries. By relationships that date back centuries, it is connected to other parts of West Africa and the Sahel. Geographical, socioeconomic, historical, and cultural variables all play a role in the development of these complex cross-border interactions (Africa news, 2020). The majority of Nigeria's borders are unmanned. Martin Kure Abeshi, a former comptroller general of the Immigration Service, revealed that Nigeria has nearly 1,500 recognised land border crossings in 2016. Only 114 of these borders, covering an area of nearly 4,000 km<sup>2</sup>, had check points guarded by immigration officers and other security agencies (Omaku, 2016). The current ad hoc border security and unilateral border closures are nearly intolerable, but the detrimental impact on Nigeria's regional standing, perception, and influence would have a longer-lasting negative impact on her welfare in the area. Nigeria must also develop a reliable and effective border security plan that will enhance the skills and capacity of the security organisations in charge of guarding and securing the borders.

Nigeria is a significant participant in both the Economic Community of West African States and the Community of Sahel-Saharan States. Member nations of these regional organisations provide the required markets for Nigerian goods and participate in international security cooperation projects like the Multinational Joint Task Force against Boko Haram and

its offshoot Islamic State in West Africa Province in Lake Chad (ISWAP). The recently formed G-5 Sahel counterterrorism group engages in cooperative anti-banditry operations against bandits operating between the Niger Republic and Nigeria as well as combating rebels and vicious extremists throughout the Sahel (World Bank Group, 2015).

Closing borders unilaterally disrupts trans-Saharan ties and commercial routes that have existed for centuries. They are essential for the states near to Nigeria's food and economic security, and the effects would be seen throughout the region as a whole. This has the potential to foster aggressiveness towards Nigeria's interests, its responsibility to regional security partnerships, diminish the nation's dependability, and jeopardise ties forged through years of sacrifice to guarantee regional stability. Nigeria has to make a difficult choice to strengthen its territorial security and economic interests, despite the fact that it cannot afford to be isolated or demoted at this time of intense regional competition between big powers.

## CONCLUSION

It is arguable that Nigeria has benefited from its border closure policy (protectionism) following the improvement in rice production data recorded. The border closure saw an increase in the local production of rice, which was sustained in subsequent years. There is also evidence showing that border closure saw a remarkable decrease in land border smuggling activities. The issue of arms proliferation was also put in check to some extent. However, the reactions of neighbouring nations to the Nigeria protectionist policy were not as positive as the reported success achieved.

In all of this, Nigeria achieved her interest in boosting economic prosperity by developing the local rice production capacity. The border closure policy also promotes security stability by curtailing arms proliferation through porous borders that have fuelled conflict, banditry and insurgency. The interest of Nigeria is also geared towards security and curtailing smuggling.

Unilateral border closures have disrupted trans-Saharan ties and trade routes, which are vital for the food and economic security of states close to Nigeria. The repercussions would be felt throughout the region. But, it could lead to animosity towards Nigeria's interests and dedication to regional security partnerships, undermine the nation's credibility, and jeopardise friendships that have been forged over years of sacrifice to preserve regional peace. In spite of this, Nigeria had to make a difficult choice to strengthen its territorial security and economic interests since it could not afford to be isolated or demoted at this time of intense rivalry amongst strong powers in the area.

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