

**Local Business, Local Peace:
the Peacebuilding Potential of the
Domestic Private Sector**

**Case study
Nigeria***

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Nigeria

The Nigerian market: fuelling conflict, or contributing to peace?

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There is a complex set of structural causes underlying Nigeria's conflicts, including economic issues such as access to resources, that have sometimes led to violent clashes between ethno-religious groups. In particular, the role of larger oil-related corporations in exacerbating these conflicts has received considerable attention. However, many of the economic pressures and difficulties leading to conflict relate not only to major international companies' exploitation of natural resources, but to small and micro-enterprises as well, such as those operated by traders in the agricultural produce market.

Antagonism between the public and private sectors is a common factor contributing to conflicts around economic issues such as trade. The disorganised, informal nature of the small-scale trade sector and the perception that it promotes criminal activity evoke antipathy in the public sector. The private sector in turn strongly resents local government revenue extraction from market-based trade, given its own failure to invest in physical infrastructure, trader harassment, financial mismanagement and massive corruption. Weak and corrupt national institutions, such as the police and the justice system, cause further resentment and promote reliance on personal links to local-level patrons and the 'privatisation' of security, both of which may fuel inter-ethnic conflict since they can easily become ethnically defined.

Crowded markets often become flashpoints both because they bring large numbers of people from different ethnic groups together in a congested area, and because they offer a fertile context for 'conflict entrepreneurs' to exploit conflict for business or political ends. Unemployed youth can be hired at little cost in order to escalate any small conflict that occurs. The potential for looting once a conflict is in full swing provides additional incentives.

Trade as a flashpoint

Perceiving that a lot of money was being made on the retail side of the kolanut business, ethnic Yoruba growers of kolanut (who had always sold to ethnic Hausa wholesalers) attempted to enter the retail side of the business. Hausa wholesalers in various Yoruba towns banded together and resisted the incursion. They continued to control the trade, and the ethnic monopoly they enjoyed also enabled them to dictate prices to the Yoruba sellers. This ethnic monopoly of the kolanut trade was identified as a contributing factor to the ethnic conflict between the Hausa/Fulani and Yoruba in 1999 in Sagamu, a town 30 miles north of Lagos in the south-west of Nigeria, during which scores of lives were lost on both sides.

Trade and markets in conflict mediation

Despite the potential for trade to become a locus of conflict, market interactions and trading relationships often facilitate reconciliation because disputing groups which need to work together to secure their individual livelihoods. Food-marketing chains are complex networks extending across the country, and often involve diverse ethnic, religious and social entities. For the most part these linkages work effectively, drawing on substantial inter-gender, inter-ethnic and inter-religious cooperation, often built up over generations. Cooperative relationships are cemented by participation in ceremonies (marriages, funerals, etc.), home visits and by inter-marriage. Ethnic and sub-ethnic political leaders support such relationships by playing brokerage and bridge-building roles across the ethnic divide. Accommodation, compromise and cooperation thus help to build crucial coalitions, the essential components of a long-standing, resilient livelihood strategy.

Markets are also potential mediation spaces precisely because they bring conflict-related groups together, especially in boundary regions. Particular individuals may act as ‘connectors’ in this respect, linking diverse ethnic and other interest groups. Women traders are especially important in southern Nigerian markets where their predominance in numbers and collective efforts arguably aid conflict prevention.

The neutrality of market spaces is implied in the Hausa saying, *Kasuwa akai miki dole*, literally ‘you must take things (goods and money) to the market’. That is, going to the market is compulsory for both the buyers and sellers. This recognition of ‘common ownership’ and shared dependence on the market can discourage conflict over trade. In Hausa, the market is described as *tumbin giwa*, the ‘stomach of the elephant’, suggesting its capacity to absorb all sorts of diversity in humans, ideas and goods, and its indispensability to society. Traders echo this view of the market as a neutral ground:

“On the market we are all Nigerian. It is when I am in my community that I consider my tribe and religion first. [The] market belongs to everybody.”

Research into the outbreak of violence in Jos in 2001 indicated that, while markets and trade may cause or fuel conflict, the need to obtain a livelihood through trade or market interactions also reunited protagonists surprisingly rapidly after a violent dispute. This is particularly the case for agricultural produce since the spatially diffuse nature of the business activity requires peace.

Traders avoiding conflict in Jos

Despite the relative peaceful history among the complex networks of ethno-religious groups in the city of Jos, violence erupted in September 2001 killing hundreds of people and leaving thousands displaced. The violence is embedded in long-term structural political and economic grievances, such as control of economic markets and competition for political posts, particularly between ‘indigenes’ and ‘non-indigenes.’ The appointment of a minority Hausa Muslim as poverty eradication coordinator was seen as a provocation, particularly by Christian groups, exacerbating tensions until an argument outside of a mosque finally led to the outbreak of violent conflict.

Yet the market network in perishable vegetables has been rapidly restored, being crucial to both rural and urban livelihoods. There was evidence that traders were again providing advance capital to farmers and that farmers were again sending their produce to distant markets through traders, based purely on trust – just as they had prior to the crisis. Trader-farmer interactions take place across religious and ethnic groups (e.g. Berom Christian producers sell to Hausa Muslim traders who in turn sell to Igbo Christian traders). Berom tomato retailers in Jos urban markets are still able to borrow substantial sums from Hausa/Fulani wholesalers without collateral and refer to their ‘longstanding trading relationships’ as the basis for the strong informal trading practices among them.

Customer relationships and landlord systems play a key role in allowing trade to continue during conflict, and can even result in the physical protection of traders by other ethnic groups. For example, a representative of the grain sellers’ association in Sokoto, northern Nigeria, reported that during religious riots: “We had to hide our visitors from other parts of the country to protect them.” In Sabon Gari market in the northern city of Kano, traders stated that they telephoned customers of other ethnic/religious group to warn them not to come to the market during a particularly violent episode. The ties that enable this to take place strongly contrast with the

conflict outside the market. As one Igbo trader stated: “The Igbos and Hausas in this market are one – they are all eating from the same pot. We are one family.”

Traders’ associations

Long-established traders’ associations and other indigenous business networks provide ample evidence of their experience in conflict prevention and management through a variety of mechanisms. In periods of violent conflict, traders of diverse ethnic origin often protect one another, especially within the market environs. Work with traders’ organisations to support and further such initiatives may offer an important potential route to addressing conflict.

In an interview in Kantin Kware market in Kano a trader observed that, when a conflict occurred, the market organisation went outside the market to traders’ homes, ‘away from the market tension’, to try to resolve the conflict.

Sokoto grain sellers’ association

There has been a history of ethnic conflict in the state of Sokoto, specifically between the Hausas and other ethnic groups. These conflicts are either started outside markets, subsequently affecting traders, or caused by specific disputes inside the markets. In the latter cases traders’ associations can play an important role in addressing them. A representative of the Sokoto grain sellers’ association observed: “We do not pass judgment, we dialogue. If one is at fault, whether a resident or a visitor from another part of the country, we try to dialogue. We do not pass judgement immediately. If our efforts fail, we hand over the case to the authority to handle before he creates a big problem for us in the market. From there the case can go to court and we would be witness to the case.” He described how, when religious troubles occurred elsewhere in northern Nigeria or there were rumours of planned attacks on Christian Igbos, the market was closed and the visitors hidden. “Luckily there were enough signals and the market associations and the market authority quickly intervened to stop the blood spilling. Nobody was beaten or maltreated.”

In many cases resolution within the traders’ association depend on the determination, power and charisma of the association leaders. This is evident in New Market, Abuja where the president-general of the Market Women’s Association successfully resolved a dispute between vegetable wholesalers and retailers.

It can also be the leadership of the commodity association that steps in to mediate, conciliate or arbitrate. Where the association is unable to resolve the conflict, it is transferred to the executives of the general market association. At this level, if the conflict involves people from more than one ethnic group, representatives of the relevant ethnic groups' associations are invited to resolve the conflict together with the leadership of the market association. If all attempts at resolution fail and criminality is involved, the police are called in.

Vigilantism and the 'privatisation' of security

Failure of Nigeria's security institutions has prompted Nigerians to resort to specific forms of self-help. These forms of vigilantism are characterised by rapid judgement and punishment, use of local knowledge, and avoidance of complex legal regulations and procedures that can be seen to shelter miscreants from justice. Traders' associations are perceived as a major locus of economic support for vigilante/ethnic militia groups in both southeast and southwest Nigeria, with some well-known groups originating from initiatives and payments by traders.

On the other hand, Sokoto market demonstrated a positive example of close cooperation between a former assistant commissioner of the police and the trader associations at a time of crisis elsewhere in the country.

Trader relationships with the police in Sokoto

"We are told we are to be representatives of our people to the authority," said the representative of the Sokoto grain sellers' association. "If anything arises that may generate conflict, we quickly take action before it breaks by informing the authority. If we are not listened to by the smaller ranks, we should come direct to him. He is from Katsina state. He said we should always come to him, whether in his office or at home. He told us where his house is located. We still use the channels of communication he opened to deal with conflict before it erupts. If there is any conflict in the market, immediately I contact the police. Even if I send my representative, the police would come to help us resolve the problem, or to take it outside the jurisdiction of the market."

The police gave a similar response with regard to conflicts at Sokoto livestock market. If the police have a problem with anyone in the market, they first contact the livestock traders' association and try to solve the problem through them. However, there are questions of equity in the provision of security, and evidence that wealthier traders receive preferential treatment. This holds some potential for ethnic discrimination.

Conclusions

Traders' associations have considerable experience in dispute settlement but they can fuel resentment, for instance when acting as cartels by excluding particular groups. Nonetheless, it may be possible to build positively on the experience of traders' associations in conflict resolution.

Traders and other businesses can act as 'connectors', building social capital and networks between ethnic groups. Women play a key role, particularly in the food trade.

Experience across Africa shows that business development support is rarely part of post-conflict reconstruction and, where it is, there is no targeting of women. Micro-credit is a popular post-conflict reconstruction tool but it can increase the risks to livelihoods and tension if it not accompanied by information and skills related to business development or informed by a sound analysis of conflict dynamics.

Support can be targeted at programmes that encourage networking and trade between ethnic groups in order to build cross-cultural social capital. Many Nigerian businesses operate across ethnic boundaries and have built cross-cultural social capital, in some cases over generations. The means for encouraging more individuals to take up these boundary-spanning activities need to be explored. Similarly, the use of market places as mediation spaces would benefit from closer examination.

This case study is based on findings from a small scoping study comprising a literature review (including analysis of recent market-based or market-related conflicts); a limited number of interviews in northern and southern Nigeria with market associations, NGOs and other stakeholders; interviews with UK-based NGOs specialising in conflict management; and a one-day stakeholder workshop in Abuja. The original scoping study and review were funded by the UK Department for International Development (DFID). DFID accepts no responsibility for the information provided or the views expressed.