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BANDITRY, COERCION, AND THE SHADOW ECONOMY: THE SOCIO-CRIMINOLOGICAL DYNAMICS OF FORCED TAXATION IN MARGINALIZED COMMUNITIES

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Abstract
Bandit-led taxation has emerged as a critical feature of the criminal economy in Nigeria and other fragile states, where non-state actors impose levies on vulnerable communities in the absence of effective state governance. This paper examined how bandits enforce taxation through coercion, mirroring patterns of criminal governance seen in other conflict-prone regions such as the Democratic Republic of Congo and Somalia. Drawing on secondary data and theoretical frameworks on state fragility, shadow economies, and coercive power, this paper argues that bandit taxation is not an isolated criminal act but a structural response to weak state institutions. Findings reveal that in regions like Zamfara, Katsina, and Sokoto, bandits impose levies on farmers, traders, and transporters, effectively controlling local economies. The study underscores the need to understand bandit taxation as an alternative form of governance, necessitating holistic policy interventions that address governance failures, economic vulnerabilities, and security challenges.

Keywords: Bandit taxation, Coercion, Criminal economy, Informal governance, Nigeria, Organized crime, Shadow economy, State fragility, Taxation enforcement, Vulnerable communities.

Introduction
The intersection of crime and economic exploitation has long been a subject of sociological and criminological inquiry, particularly in contexts where state authority is weak or absent. In many marginalized communities across Africa, including Nigeria, criminal groups such as bandits, insurgents, and warlords impose informal taxation systems that mimic state fiscal mechanisms but operate through coercion and violence. This phenomenon represents a form of "criminal governance," wherein non-state actors establish systems of order, regulation, and resource extraction in spaces where formal institutions have failed (Arias, 2017; Skaperdas, 2001). These informal economies, driven by banditry and coercive taxation, not only sustain criminal enterprises but also reshape the social and economic structures of affected communities (Tilly, 1985).

From a sociological perspective, the forced taxation imposed by bandits can be understood through theories of power, social control, and economic stratification. The state is traditionally regarded as the sole legitimate authority in the imposition of taxes (Weber, 1946), yet in fragile societies, criminal organizations often fill the vacuum left by ineffective governance. These groups leverage violence and intimidation to enforce compliance, functioning as de facto rulers who extract resources under the guise of protection or economic necessity (Gambetta, 1993). In Nigeria, banditry has become an entrenched economic activity, particularly in the North West, where groups of armed criminals extort money from farmers and traders, controlling major transportation routes and imposing levies on local populations (International Crisis Group, 2020). Similar trends have been observed in Somalia, where Al-Shabaab militants impose "zakat" (an Islamic tax) on businesses and farmers in areas under their control, reinforcing their financial and territorial dominance (Hansen, 2013).

Criminologically, forced taxation by bandits can be examined through the lens of organized crime and state-crime nexus theories. Research suggests that in weak states, criminal enterprises often operate parallel to or in collaboration with corrupt state actors, blurring the lines between legality and illegality (Bayart, Ellis, & Hibou, 1999). In Nigeria, there have been numerous allegations of security agencies either colluding with bandits or failing to intervene, allowing criminal economies to thrive (Amnesty International, 2021). The Kaduna-Abuja highway, for instance, has become notorious for kidnappings and extortion, where bandits demand ransoms from victims or impose levies on travelers to ensure safe passage (Ezeobi, 2021). A similar pattern of criminal taxation exists in the eastern Democratic Republic of Congo (DRC), where armed militias systematically extort local businesses and miners, generating revenue streams that sustain prolonged conflicts (Stearns, 2012).

These practices align with theories of predatory crime, which emphasize how resource scarcity and political instability create conditions conducive to criminal economic activities, reinforcing systems of extortion and forced taxation (Skarbek, 2014). In regions such as Zamfara and Katsina states in Nigeria, impoverished villagers are often forced to pay protection levies to bandits, mirroring the extortion rackets historically associated with organized crime syndicates (Okoli & Okpaleke, 2021). Similarly, in Libya, armed groups controlling smuggling routes impose tolls on migrants and traders, effectively transforming territorial control into a revenue-generating enterprise (Micallef, 2017).

Understanding the socio-criminological dynamics of forced taxation by bandits is crucial for developing holistic policy responses that address both security concerns and the underlying socio-economic vulnerabilities that facilitate criminal governance. By examining the informal power structures and economic conditions that sustain these practices, this paper seeks to contribute to a broader discourse on state legitimacy, criminal economies, and the sociopolitical consequences of banditry in marginalized societies.

Conceptual Clarification

Criminal Economy: The criminal economy refers to illicit economic activities that operate outside the legal framework of the state but remain structured and systematic (Bayart, Ellis, & Hibou, 1999). It encompasses activities such as illegal taxation, extortion, smuggling, human and drug trafficking, and illicit resource exploitation (Gambetta, 1993). In fragile states, criminal groups often establish alternative economic systems that rival formal state institutions (Skaperdas, 2001). Bandit-imposed taxation is a fundamental component of this criminal economy, as it sustains organized crime and undermines state sovereignty.

Shadow Economy: The shadow economy, also known as the informal or underground economy, refers to economic activities that occur outside official government oversight, regulation, or taxation (Schneider & Enste, 2013). While some parts of the shadow economy involve legal but unregistered businesses, others include illicit enterprises such as banditry, illegal mining, smuggling, and forced taxation (Williams & Round, 2008). In many fragile states, the shadow economy coexists with the criminal economy, allowing non-state actors, including bandits and armed groups, to control significant financial flows (North, Wallis, & Weingast, 2009). In Nigeria's North West, bandits exploit the shadow economy by taxing traders, transporters, and farmers, generating revenue that fuels further criminal activities (International Crisis Group, 2020).

Banditry: Banditry refers to organized criminal activities such as robbery, extortion, kidnapping, and armed raids carried out by non-state actors (Hobsbawm, 1969). Historically, bandits operated on the margins of state authority, engaging in predatory violence. However, contemporary banditry, particularly in Nigeria, has evolved into a structured criminal enterprise, with groups exerting territorial control and enforcing their own economic systems (Akinola, 2020). Reports indicate that bandits in Zamfara, Katsina, and Sokoto states impose taxes on rural populations, demand ransom payments, and regulate access to farmland (Amnesty International, 2022).

Taxation: Taxation is traditionally a function of the state, involving mandatory levies imposed on individuals and businesses to finance public services and governance. However, in the context of the criminal economy, taxation takes the form of illegal and coercive financial extractions imposed by armed groups (Arias, 2017). Bandit taxation is not a voluntary civic obligation but an enforced levy collected through threats, violence, and territorial control (Gambetta, 1993). This practice mirrors similar taxation regimes imposed by warlords in the Democratic Republic of Congo (DRC) and Al-Shabaab militants in Somalia (Stearns, 2012; Hansen, 2013).

Enforcement: Enforcement refers to the methods used to implement rules, policies, or financial demands. Unlike legitimate state taxation, which is backed by legal frameworks, bandit-led taxation is enforced through intimidation, violence, and coercion (Tilly, 1985). Bandits use raids, destruction of property, kidnapping, and killings to compel communities to comply with their financial demands (International Crisis Group, 2021). This method of enforcement resembles protection rackets, where criminal organizations offer security in exchange for financial contributions (Gambetta, 1993).

Vulnerable Communities: Vulnerable communities are populations that lack economic, social, and political protection, making them susceptible to external threats (World Bank, 2020). In Nigeria, vulnerability is driven by poverty, weak state presence, and insecurity, forcing rural populations to comply with bandit taxation out of fear for their lives and livelihoods (Amnesty International, 2022). Farmers, traders, and transporters in Northern Nigeria often have no alternative but to pay levies to bandit groups in exchange for permission to conduct daily activities such as farming and trading (International Crisis Group, 2020).

Statement of the Problem

The phenomenon of banditry and its economic implications in marginalized communities has emerged as a critical issue in contemporary criminological and sociological discourse. While taxation is traditionally a function of the state, in regions where formal governance structures are weak or absent, non-state actors, including criminal groups, insurgents, and bandits, assume this role through coercion and violence (Arias, 2017; Skaperdas, 2001). These groups impose levies on individuals, businesses, and entire communities, effectively creating parallel economies where criminal actors dictate the terms of economic participation (Gambetta, 1993). Such practices not only sustain illicit enterprises but also contribute to the erosion of state authority, perpetuating cycles of violence and economic dependency (Tilly, 1985).

In Nigeria, the rise of banditry, particularly in the North West and parts of the Middle Belt, has escalated into a full-fledged security and economic crisis. Reports indicate that armed groups routinely impose levies on farmers, traders, and transporters, extracting resources through intimidation and organized violence (International Crisis Group, 2020; Okoli & Okpaleke, 2021). The consequences are dire: communities that fail to comply with these demands often face brutal reprisals, including mass killings, abductions, and forced displacement (Amnesty International, 2021). Similar patterns can be observed across Africa, where groups such as Al-Shabaab in Somalia, warlords in the Democratic Republic of Congo, and armed factions in Libya have institutionalized systems of forced taxation to sustain their operations (Hansen, 2013; Stearns, 2012; Micallef, 2017).

Despite the growing prevalence of criminal taxation, scholarly engagement with the issue remains limited, particularly from a socio-criminological perspective. Existing research on organized crime and state failure tends to focus on conventional forms of illicit economies such as drug trafficking, smuggling, and human trafficking (Varese, 2001; Skarbek, 2014). However, the systematic extraction of wealth by non-state actors through forced taxation represents a distinct form of criminal governance that requires further exploration. How do these groups establish and maintain their taxation systems? What socio-economic and political conditions enable their emergence? How does this parallel economy impact state legitimacy and community resilience? Addressing these questions is crucial for developing effective policy responses that go beyond security interventions to encompass economic and governance reforms.

Objectives of the Study

This study aims to critically examine the socio-criminological dimensions of forced taxation by bandits in Nigeria and Africa. Specifically, it seeks to:

i. Analyze the socio-economic conditions that facilitate the emergence of bandit-led taxation.
ii. Investigate the mechanisms through which bandits enforce taxation and regulate compliance.
iii. Assess the impact of criminal taxation on community livelihoods and state legitimacy.
iv. Analyze the intersections between banditry, corruption, and state complicity in sustaining criminal economies.

Literature Review

Socio-Economic Conditions Facilitating the Emergence of Bandit-Led Taxation: A Critical Review of Literature

Bandit-led taxation thrives in regions with weak state institutions and fragile governance, where the state lacks a monopoly on force. Criminal governance theories suggest that when governments fail to provide security and economic regulation, non-state actors fill the void (Arias, 2017; Gambetta, 1993). In Nigeria's northwest, bandits impose levies on farmers and traders, mirroring practices in the DRC and Somalia (Stearns, 2012; Hansen, 2013). This challenges Weber's (1946) concept of state authority, showing bandit taxation as a structural issue linked to governance failures (Tilly, 1985).

Widespread poverty and economic deprivation are key socio-economic drivers of banditry and its associated taxation systems. Strain and opportunity theories suggest that individuals resort to illegal means when legitimate economic opportunities are scarce (Merton, 1938; Cloward & Ohlin, 1960). In Nigeria, rural communities in Zamfara, Katsina, and Sokoto suffer from extreme poverty, forcing farmers to pay levies to bandits for security (Amnesty International, 2021). This mirrors historical cases like the Sicilian Mafia's extortion of landowners (Gambetta, 1993).

High youth unemployment fuels bandit recruitment, sustaining extortion economies (International Crisis Group, 2020). Similar trends exist in the Sahel, where armed factions impose illicit taxes (Boone, 2020). Weak law enforcement, corruption, and state complicity further enable criminal taxation (Bayart et al., 1999). Reports indicate that security forces in Nigeria sometimes collude with bandits (Amnesty International, 2021), echoing patterns in South Sudan (Branch & Mampilly, 2015).

Geographical factors, such as remote forests in Zamfara and Kaduna, provide safe havens for bandits (International Crisis Group, 2020). Climate change exacerbates these dynamics, increasing competition for scarce resources (Boone, 2020). Historical reliance on informal economies also supports criminal taxation, as seen in Nigeria's border smuggling and Somalia's Al-Shabaab taxation (Hansen, 2013).

Mechanisms of Bandit-Enforced Taxation and Compliance Regulation

Bandit groups enforce taxation through a combination of coercion, negotiated arrangements, surveillance, economic incentives, and psychological control. Coercion, often through violence, is the primary tool for ensuring compliance. In Nigeria's Zamfara and Kaduna states, bandits attack communities that refuse to pay "protection fees," mirroring Al-Shabaab's brutal enforcement of taxation in Somalia (International Crisis Group, 2020; Hansen, 2013). This aligns with the concept of "criminal protection rackets," where groups offer security in exchange for payments while using violence to maintain dominance (Gambetta, 1993).

However, violence alone is insufficient for long-term control. Bandits also establish negotiated taxation agreements with local communities, resembling "criminal governance" models (Arias, 2017). In Northern Nigeria, some factions collect levies in exchange for peace, similar to mafia-controlled taxation in Southern Italy (Okoli & Okpaleke, 2021; Gambetta, 1993). In the Sahel, groups like JNIM regulate local economies through such arrangements (Boone, 2020).

Surveillance mechanisms further reinforce compliance. Bandits use informant networks to monitor communities, identifying defaulters for targeted retaliation (Varese, 2001). Al-Shabaab's taxation system in Somalia exemplifies this model, where systematic tracking of transactions ensures tax compliance (Hansen, 2013).

Economic incentives also play a role. Bandits co-opt local leaders and enforcers by redistributing a portion of tax revenues, strengthening their grip over communities (Ezeobi, 2021). In conflict zones like the

DRC, similar strategies sustain illicit taxation (Stearns, 2012).

Lastly, psychological control ensures submission. Public executions, religious justifications, and symbolic violence make resistance costly (Bourdieu, 1991). In Mali, jihadist groups frame taxation as religious duty (Hansen, 2013), reinforcing compliance through ideological means. These mechanisms collectively sustain bandit-imposed taxation across vulnerable regions.

Socio-Economic and Security Consequences of Bandit-Enforced Taxation on Vulnerable Communities

Bandit-led taxation has significant socio-economic and security implications, deepening poverty, undermining state authority, and sustaining cycles of violence. The economic devastation caused by these illicit levies is particularly severe in rural and conflict-affected regions, where bandits impose taxes on farmers, traders, and transporters, depleting household incomes and discouraging productive activities (Okoli & Okpaleke, 2021). In northern Nigeria, armed groups demand payments from farmers before they can access their land, and failure to comply often results in the destruction of crops, cattle rustling, or violent reprisals (International Crisis Group, 2020). Similar patterns emerge in Somalia, where Al-Shabaab enforces agricultural levies that contribute to food insecurity and economic stagnation (Hansen, 2013). In the Democratic Republic of Congo, armed groups controlling mining areas extract taxes from artisanal miners, creating monopolies that benefit warlords while impoverishing local workers (Stearns, 2012). These taxation regimes not only stifle local economies but also deter investment, as businesses either shut down or relocate due to unsustainable financial burdens (Amnesty International, 2021). The economic consequences align with classical theories of predatory taxation, which suggest that illicit taxation imposes a deadweight loss on productivity, reducing overall welfare (Olson, 1993).

The impoverishment caused by bandit-led taxation further worsens socio-economic vulnerabilities by diverting resources away from essential needs such as food, healthcare, and education, leading to declining living conditions and forced displacement (International Crisis Group, 2020). Many affected communities migrate to urban areas or seek refuge in internally displaced persons (IDP) camps, straining humanitarian agencies and state resources (Amnesty International, 2021). In Mali and Burkina Faso, forced levies on pastoralists have contributed to the loss of livestock, disrupting livelihoods and triggering mass displacements (Boone, 2020). This systematic wealth extraction deepens poverty and structural inequalities, reinforcing patterns of chronic economic hardship and social marginalization (Galtung, 1969).

The ability of bandits to impose taxation also reflects a fundamental weakening of state authority, as non-state actors establish parallel governance structures in areas where formal institutions are absent or ineffective (Tilly, 1985; Skaperdas, 2001). In Nigeria, the establishment of criminal taxation regimes highlights declining public trust in government institutions, as communities subjected to bandit-imposed levies perceive state authorities as either powerless or complicit (Okoli & Okpaleke, 2021). In Somalia, Al-Shabaab's taxation system is often more efficient than that of the state, further entrenching its control over economic activities (Hansen, 2013). The Central African Republic presents a similar case, where armed groups regulate trade and administer justice, thereby challenging the state's monopoly on governance (Micallef, 2017). This erosion of state authority aligns with Weber's (1946) theory of state legitimacy, which argues that a government's sovereignty depends on its ability to maintain a monopoly over the legitimate use of force.

Revenue from bandit taxation sustains cycles of violence, as funds are reinvested in acquiring weapons and expanding criminal networks (Ezeobi, 2021). In Nigeria, ransom payments and imposed levies provide substantial financial resources to bandit groups, enabling them to escalate attacks on both civilians and security forces (International Crisis Group, 2020). In Mali, jihadist groups use tax revenues to purchase advanced weaponry, reinforcing their military capacity and prolonging conflict (Boone, 2020). The proliferation of armed factions also leads to the emergence of resistance movements, such as vigilante groups like the Yan Sakai in northern Nigeria, which often engage in retaliatory violence, further destabilizing the security environment (Okoli & Okpaleke, 2021). These dynamics create a self-perpetuating cycle in which taxation fuels insecurity, and insecurity, in turn, justifies further taxation.

Beyond economic and security consequences, bandit-led taxation disrupts social structures and fosters internal divisions within communities. Forced compliance with criminal levies generates tensions, as individuals or groups suspected of collaborating with bandits face social ostracization or violent reprisals (Gambetta, 1993). In Nigeria, some rural communities accused of cooperating with bandits have been targeted by local militias, exacerbating intercommunal violence and eroding traditional social networks (International Crisis Group, 2020). In South Sudan, civilians are sometimes coerced into acting as informants for armed groups, further deepening social fractures and distrust (Branch & Mampilly, 2015). This breakdown of social cohesion aligns with Durkheim's (1897) theory of anomie, which posits that lawlessness and instability emerge when traditional norms and structures disintegrate. The long-term consequences of such fragmentation weaken community resilience, making it even more difficult to combat the entrenched systems of bandit taxation and violence.

Approaches to Alleviating the Socio-Economic and Security Consequences of Bandit-Imposed Taxation on vulnerable Populations

Bandit-imposed taxation on vulnerable communities presents significant economic, social, and security challenges, necessitating a comprehensive response. Addressing this issue requires a combination of state-led security measures, community-based resilience strategies, economic interventions, and policy reforms. Strengthening state security institutions is a fundamental strategy, as the state's monopoly on violence is essential to preventing non-state actors from exerting coercive control (Weber, 1946). In Nigeria, military operations such as Hadarin Daji and Puff Adder have targeted bandit networks, resulting in arrests and the neutralization of key leaders (International Crisis Group, 2020). However, these efforts are often undermined by poor coordination, corruption, and inadequate intelligence gathering (Okoli & Okpaleke, 2021).

Community policing has emerged as a viable alternative to conventional military operations. Countries such as Kenya have adopted hybrid policing models that integrate state forces with local security groups to enhance intelligence-sharing and early threat detection (Mutonya, 2019). In Nigeria, regional security outfits like Amotekun and Ebube Agu reflect a growing reliance on localized security mechanisms (Ezeobi, 2021). Intelligence-based policing is another critical tool for dismantling bandit networks, enabling preemptive action against their activities (Felbab-Brown, 2010). However, many African nations struggle with weak intelligence-sharing due to bureaucratic inefficiencies and corruption (International Crisis Group, 2020). Advanced surveillance technologies, such as those employed by AMISOM in Somalia to disrupt Al-Shabaab's taxation networks, could be adapted to Nigeria's security landscape (Hansen, 2013).

Beyond state interventions, community-driven strategies are essential in mitigating bandit taxation. Strong local governance structures can reduce communities' vulnerability to criminal extortion. In Nigeria, vigilante groups such as the Yan Sakai have taken up arms against bandits, providing localized security where state forces have failed (Okoli & Okpaleke, 2021). However, these groups have been implicated in extrajudicial killings, raising concerns about human rights violations (Amnesty International, 2021). In Burkina Faso and Mali, local defense groups have resisted jihadist taxation, but their activities have also contributed to intercommunal violence (Boone, 2020). State regulation of such initiatives is necessary to prevent further insecurity.

Traditional leaders play a critical role in mediating between communities and bandits. In northern Nigeria, some emirates have successfully negotiated temporary ceasefires, allowing farmers to access their land with reduced taxation burdens (International Crisis Group, 2020). While not a permanent solution, these agreements offer short-term relief.

Economic vulnerabilities sustain bandit economies, making economic interventions crucial. Regions with high unemployment are more susceptible to criminal extortion (Collier & Hoeffler, 2004). Programs like Kenya's Youth Enterprise Development Fund and Nigeria's National Social Investment Program provide alternative income sources, reducing reliance on illicit economies (World Bank, 2020). Strengthening land tenure systems and resource governance can also reduce vulnerabilities that bandits exploit (Boone, 2020). Legal reforms, including anti-extortion laws, are essential in dismantling criminal taxation networks, as demonstrated in Colombia (Gambetta, 1993).

Methodology

This study adopts a qualitative methodology to explore bandit-imposed taxation in vulnerable communities, focusing on its socio-economic and security implications. Given the complexities of primary data collection in conflict-prone areas, the research relies exclusively on secondary data, drawing from academic literature, institutional reports, policy documents, media investigations, and comparative case studies.

The study follows a qualitative research design, employing an exploratory and analytical approach to examine theories, concepts, and case studies related to criminal economies, banditry, and informal taxation. Insights from criminology, sociology, political economy, and conflict studies inform the analysis.

Secondary data sources include peer-reviewed journals, government and international reports, policy documents, and investigative media reports. Key sources include publications from African Affairs, the United Nations Office on Drugs and Crime, the World Bank, and reputable news agencies such as BBC Africa and Al Jazeera. Case studies from Nigeria, Somalia, and Colombia provide comparative perspectives on criminal taxation systems.

Data is analyzed using thematic content analysis, comparative analysis, and conceptual synthesis. Themes such as "economic impacts of bandit taxation," "state legitimacy," and "community resilience strategies" guide the discussion. Theoretical frameworks, including Weber's state legitimacy theory and Gambetta's mafia taxation model, help contextualize findings. Qualitative content analysis further examines policy and media narratives surrounding banditry and governance.

The methodology is justified by ethical constraints, the availability of rich secondary data, and the need for theoretical depth. However, limitations include dependence on existing data, lack of primary verification, and challenges in generalizing findings across different socio-political contexts. Despite these limitations, the study provides a rigorous theoretical analysis, offering valuable insights for researchers, policymakers, and security practitioners.

Results findings and discussion

This paper's findings draw from a broad analysis of academic publications, investigative journalism, policy reports, and case studies across Nigeria, Somalia, and Colombia. Using thematic content analysis and comparative conceptual synthesis, five major findings emerged on how bandit-imposed taxation shapes governance, security, and survival in peripheral regions. Each theme is supported with data, relevant theoretical frameworks, and cross-country comparative insights.

Banditry as Criminal Governance in Ungoverned Spaces

A dominant theme that emerged is the evolution of bandit groups from criminal actors into de facto political authorities, particularly in rural and conflict-prone areas where the state has failed to assert its presence. In Nigeria's northwest, states such as Zamfara, Katsina, and parts of Taraba have witnessed the rise of armed groups who tax, adjudicate, and govern local populations.

SBM Intelligence (2022) estimates that in Zamfara and Katsina, over 400 communities are under effective control of bandits, with taxation systems imposed on land access, cattle movement, and harvest activities. These groups, often emerging from cattle-rustling or vigilante origins, enforce compliance with violence while offering basic protection and dispute resolution. Similarly, in Somalia, Al-Shabaab enforces a religiously justified zakat system, reportedly generating \$15 million annually through forced taxation and checkpoint duties (UNODC, 2020).

Arjona's (2016) notion of "partial rule" applies here: governance is not necessarily absent in conflict zones, it is privatized and often militarized. This pattern underscores the breakdown of formal institutions and the reconfiguration of political order through coercion. Weber's classical theory of the state as the sole legitimate wielder of force (Weber, 1919) is inverted in these settings, with legitimacy accruing to those who can enforce rules, provide order, and punish defaulters even outside legal structures.

Coercive Taxation as a Mechanism of Domination and Revenue Extraction

Forced taxation in these communities is characterized by explicit coercion. Unlike legitimate state taxation, which is often regulated by law and policy, bandit-imposed levies are enforced through violence or the threat of it. Compliance is secured not through civic duty but through survival instincts.

In Niger and Sokoto States, households are known to pay ₦10,000 - ₦50,000 ($13–$65) as harvest fees or face destruction of property (CDD, 2021). In Gassol LGA of Taraba State, 70% of surveyed households reported being taxed by armed groups on farmlands or produce (SBM, 2022). In Zamfara State, peace levies ranging from ₦200,000 to ₦1 million ($260–$1,300) per community have been documented (Premium Times, 2023). Defaulters face beatings, kidnappings, or death, as seen in the Dankade massacre of 2021, where 50 villagers were killed after resisting taxation.

This enforcement model aligns with Diego Gambetta's (1993) theory of mafia protection rackets. Like organized crime syndicates, bandits establish a monopolized protection market: citizens are made to fear the very group that offers them "security." The relationship is coercively contractual, bandits create insecurity and then offer protection from it.

Socio-Economic Devastation and the Institutionalization of Poverty

The economic toll of coercive taxation is profound. In communities already grappling with poverty and state neglect, bandit-imposed levies exacerbate deprivation. Subsistence farmers are forced to part with significant portions of their yield, creating a disincentive for agricultural productivity.

The World Bank (2022) reports that in rural communities across northwest Nigeria, household incomes have declined by 30 – 50% due to restricted access to farmlands, illicit taxation, and displacement. In Niger State, farming activity has decreased by 43%, leading to food inflation of over 60% in local markets (SBM, 2023). Data from the National Bureau of Statistics (2023) shows that poverty levels in bandit-affected states like Kebbi and Zamfara exceed 76%, well above the national average.

These patterns align with the "moral economy of survival" proposed by Thompson (1971), wherein compliance with oppressive systems is a means of coping rather than consent. Economic relationships under duress become normalized, and taxation under threat becomes part of rural economic life.

Erosion of State Legitimacy and Parallel Systems of Authority

Another key finding is the delegitimation of the state in the eyes of affected populations. The state's inability to provide security, justice, or economic stability has led many communities to disengage from formal governance and submit to informal, violent alternatives. Afrobarometer (2021) reports that only 23% of respondents in northwest Nigeria expressed confidence in the federal government's ability to protect them. Communities increasingly negotiate directly with bandit leaders instead of involving police or security forces. In Kaduna and Katsina, local leaders have publicly acknowledged interactions with bandit commanders for access to roads, farms, and markets (Daily Trust, 2022). The BBC (2023) documented several cases of direct ransom payments facilitated by communities with no state mediation.

This phenomenon reflects a shift in the social contract from rule-based citizenship to conditional survival. Legitimacy is redefined by deliverables, not legal frameworks. The political economy of violence (Raleigh & Dowd, 2013) helps contextualize this process, where non-state actors become arbiters of order amid institutional decay.

Community Strategies of Adaptation, Resistance, and Survival

Despite widespread oppression, communities do not remain passive victims. Many adopt pragmatic strategies to negotiate with or resist coercive taxation. These include the use of intermediaries, collective bargaining, strategic compliance, and informal security arrangements.

In Zamfara State, for instance, village elders act as brokers, collecting and delivering monthly levies of ₦50,000–₦150,000 to prevent larger attacks (ICG, 2021). In Taraba's Karim Lamido and Takum LGAs, some communities plant lower-value crops or avoid large-scale farming to minimize exposure. In Somalia, farmers avoid main roads and checkpoints known to be taxed by Al-Shabaab (UNDP Somalia, 2022). Colombia's post-conflict cooperatives have redirected informal taxation towards community development and shared security (Arjona, 2016).

These forms of adaptation reflect what Nordstrom (2004) terms "the invisible war economy," where resistance is embedded in daily survival. Informal agreements and social contracts operate beneath the state radar, simultaneously preserving life and normalizing disorder.

Conclusion

The findings of this study affirm that bandit-imposed taxation is not merely an issue of law and order but a symptom of deeper governance failure and systemic marginalization. In the absence of a functional state apparatus, coercive power vacuums are filled by violent actors who extract resources, enforce compliance, and provide rudimentary order. The phenomenon of forced taxation in conflict-affected areas such as Taraba, Zamfara, and Katsina States in Nigeria is representative of a broader regional and global trend where criminal economies evolve into hybrid governance systems.

These developments call for a rethinking of state-building, security interventions, and socio-economic policy design in fragile states. The normalization of violence-backed taxation and the erosion of legitimate authority pose long-term threats to national integration, democratic stability, and rural development. If left unaddressed, these shadow economies may harden into alternative sovereignties, further entrenching underdevelopment, displacement, and insecurity.

Recommendations

In response to the critical challenges identified, the following multi-level policy recommendations are proposed:

i. The Nigerian government must prioritize re-establishing civil administration in conflict-affected regions. This includes deploying trained personnel in health, education, agriculture, and law enforcement, by establishing and strengthening customary courts, ADR (Alternative Dispute Resolution) mechanisms, and mobile magistrate courts in rural zones to reduce reliance on criminal actors for dispute resolution.

ii. Transition from militarized responses to inclusive security models involving vigilante groups, traditional rulers, and community-based organizations under formal supervision. Government should recruit and train local youth as forest guards and rural peace agents, providing both security and employment. Also strengthen inter-agency collaboration among security agencies (police, DSS, civil defense) and enhance information sharing with rural populations.

iii. Provide subsidized seeds, tools, and access to protected lands for farmers in conflict zones. Insurance schemes for harvests lost to banditry can increase food security and economic stability. Expand the National Social Investment Program (NSIP) to include households in bandit-affected LGAs. Promote small-scale entrepreneurship, especially for women and youth. Improve rural road networks, communication systems, and water infrastructure to boost market access and reduce community isolation.

iv. Strengthen anti-terrorism laws and the implementation of the Proceeds of Crime Act to criminalize and trace the proceeds of forced taxation. Penalize collaborators, including local elites or traditional rulers, who negotiate or enable informal payments to bandit groups. Establish a monitoring unit within the Ministry of Interior or the Nigerian Security and Civil Defence Corps (NSCDC) to track patterns of informal taxation, extortion, and parallel governance.

v. Fund research on shadow economies and informal governance in conflict zones to inform policies and early-warning systems. Support independent media and local journalists in documenting and exposing criminal taxation practices. Convene multi-stakeholder platforms involving civil society, traditional institutions, religious leaders, and development partners to forge consensus on long-term peace and governance solutions.

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