

Perceived Effects of Youths' Internet Fraud on Socio-economic Development of Southeast Nigeria

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ABSTRACT

Socio-economic development has been acknowledged globally as a key driver to sustainable livelihood for people in all nations of the world. Yet, socio-economic development is often constrained by numerous social problems particularly internet fraud among youths. However, there seems to be different perceptions about the effects of youths' involvement in internet fraud on the socio-economic development. This present study therefore investigated the socio-economic determinants of internet fraud involvement among youths in Southeast Nigeria. The study adopted the mixed methods research design, using a sample size five hundred and fifty (550) respondents, selected through the multi stage sampling procedure. Data for the study were collected through questionnaire distribution and In-depth Interview (IDI). Quantitative data were descriptively while the qualitative data were analysed using theme-based method of content analysis. Result of the study revealed that there were variations in the perception of the public regarding the effects of youths' involvement in internet fraud and socio-economic development of Southeast Nigeria, with some people perceiving it as having some benefits for socio-economic development, while the majority of people perceive it as having negative effects on socio-economic development at the long-run. The study therefore recommended the need for the government to establish a special taskforce against internet fraud in each State of the Federation, which should be equipped with internet security experts who would be charged with the responsibility of tracking fraudulent activities in the internet, as well as detecting fraudulent websites and malwares used in conducting internet fraud activities.

Keywords: *Socio-economic, Development, Internet fraud, Youths*

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INTRODUCTION

Socio-economic development has been acknowledged globally as a key driver to sustainable livelihood for people in all nations of the world. Yet, socio-economic development is often constrained by numerous social problems that abound across different nations of the world. In Nigeria, one of the major social problems that have gained significant attention in academic literature is that of youths' involvement in internet fraud. Internet fraud is one of those novel forms of fraud that accompanies the wave of internet revolution. It simply refers to the use of computer devices or software with internet access to defraud victims or to otherwise take advantage of them, and may take various dimensions including telemarketing fraud, fraudulent emails, fraudulent investment opportunities, phishing, fraudulent auction sales, lottery scams, fraudulent job advertisements, romance frauds, charity frauds, among others [1].

Due to the fact that the internet has no national boundary, every nation of the world has been affected in the increasing wave of internet crimes, particularly that of internet fraud variant. For instance, Federal Bureau of Investigation's Internet Crime Complaint Center in the United States alone, recorded 300,000 fraud complaints in 2017 with an adjusted dollar loss of nearly half a billion dollars. For victims that reported financial losses, the average was \$4,187.

However, the prevalence of internet fraud seems to be more peculiar with youths in Nigeria and other African nations. In most of the countries in Africa, internet fraud has been variously nicknamed. For instance, in Nigeria, it is called yahoo yahoo, while the perpetrators are called yahoo boys. In Ghana, it is called 'Sakawa' or 'Yahoo yahoo' [2] and 'Faymania' in Cameroon [3]. Over the recent time, there seems to be the influx of many youths in the internet fraud business. In 2011, the Internet Crime Complaint Centre (ICCC) which is a partnership between the Federal Bureau of Investigation (FBI) and America's National White Collar Crime Centre (ANWCCC), reveal that Nigeria was now ranked third among the list of top ten sources of internet fraud in the world [4]. Also the Central Bank of Nigeria (CBN) in its banking sector supervision report stated that the Nigeria banking sector lost 7.2 billion naira to internet fraud in 2010 [5]. Currently, the rate of youth internet fraud is alarming and constitutes a course for national concern.

As a result, different scholars have investigated its prevalence, correlates, as well as various techniques/methods used in the criminal activities [6]. However, not much is known on the actual effects of youths' internet fraud activities on socio-economic development, particularly within the context of the Southeast Nigeria. While internet fraud is criminalized within the ambit of international and national cyber crime laws, there seems to be a kind of normalization process in people's perception of internet fraudsters. This is considering the fact that most Yahoo boys use the proceeds of the fraud business to sponsor community projects, church projects, support less privileged individuals, build mansions and establish viable economic ventures such as supermarkets, hotels, factories, to mention but a few. Consequently, they are often recognised within communities, and accorded respects with chieftaincy titles and meritorious awards. Hence, people may tend to justify the crime of internet fraud considering the perceived benefits that the internet fraudsters give their families and communities. Despite this view, some scholars within the Nigerian context claim that apart from the destruction that internet fraud does to the economy, it leads to the erosion of confidence in genuine Nigerian commercial credibility and today many western countries have moved to deny Nigeria businessmen and women who are legitimate, the rewards of e-commerce [7].

However, none of these studies have explored in details, the perceived effects of youths' involvement in internet frauds on the socioeconomic development of Southeast Zone of Nigeria. The Southeast zone of Nigeria has been notorious with internet fraud activities among youths. Hence, there is need to investigate the effects of such criminal activity on the socio-economic development of the zone. In doing so, the study hopes to provide as answers to this question, what is the perceived effect of youths' involvement in internet fraud on socio-economic development of communities in Southeast Nigeria?

LITERATURE REVIEW

Concept of Socio-economic Development

Chojnicki [8] was of the view that socio-economic development is a key concept central to any problem of change in the socio-economic sphere. In order to have a better clue about the concept, it is apt to first understand what development entails. Although the concept of development vary significantly from the strand of the person or people defining it, we take a clue about the concept from the scholarly views that drive our present theme. In this light, Seers [9] asserted that development means the conditions for realisation of the human personality - and its evaluation must therefore take into account three linked criteria: where there has been a reduction in (1) poverty, (2) unemployment, (3) inequality. Pearson (1992) also noted that development involves an improvement qualitative, quantitative or both - in the use of available resources within a society. The author went further to assert that development does not refer to one particular perspective on social, political and economic betterment. Rather, it is a hybrid term for a myriad of strategies adopted for socioeconomic and environment transformation from current states to desired ones. It is in this view that Dannefer and Perimutter [10] averred that development is not purely an economic phenomenon but rather a multi-dimensional process involving reorganization and reorientation of entire economic and social system. In this light, the author defined development as the process of improving the quality of all human lives with three equally important aspects including: 1) raising peoples' living levels, i.e. incomes and consumption, levels of food, medical services, education through relevant growth processes; 2) Creating conditions conducive to the growth of peoples' self-esteem through the establishment of social, political and economic systems and institutions which promote human dignity and respect and; 3) increasing peoples' freedom to choose by enlarging the range of their choice variables, e.g. varieties of goods and services.

In the light of the above, socioeconomic development is thought to be all encompassing and often measured in terms of observable changes or modifications in the socioeconomic aspects of the society in terms of: education, commerce, trading, recreation, physical infrastructure, food production, industry, human development, environmental quality, human freedom, social justice, gender equality healthcare delivery, among other indicators.

Theoretical Framework

This study adopted the Symbolic Interactionism (SI) as a theoretical framework. It is one of the micro theoretical perspectives in sociology, developed in United State based on the works of George H. Mead (1863-1931) and Charles Horton Cooley (1864-1929). This theory is based on the premise of how individuals construct their social world in the course of their social interactions and everyday life experience; to which they share symbolic meanings among themselves and attach same meanings to the events around them [11]. As a social constructionist perspective in the analysis of social events, it has the potential of providing insight on the policies which members of a community consider as appropriate in addressing problems affecting them within their social milieus. This is based on the premise that people are important in social policy and it is through their opinions and views that should determine what is important for them within their social milieus.

Symbolic interactionism assumes that all larger structures of the society are nothing more than the actions of interacting people and that they can be changed. Hence, people do not respond directly to the world around them, but rather to the meaning they collectively apply to them [11]. Hence, the meanings to which individuals attach to social

events determine the actions and importance to which they attach to such events. According to Lindsey and Beach [11], individuals do not respond to their environment rather, they respond to the meanings to which they ascribe to social events through their collective sharing of meanings through symbols. Through human interactions within their milieu, they determine what is important and what not important for them. For instance, when individuals perceive that internet related crimes are less serious than traditional crimes, construct it within their minds and share it among themselves, such shared meanings will continue to exist until the individuals, through their social interactions modify such meanings. Hence, reality is socially constructed i.e., subjective meanings are given primacy because it is believed that people behave based on what they believe and not just what is objectively true especially based on their experiences within their environments.

In relation the theme of the present study, it therefore goes that the perceptions of members of the public towards youths' involvement in internet fraud (whether positive or negative) may be a product of shared views acquired through their social interactions and experiences as members of a community. When people have negative perceptions of youths' involvement in internet fraud, it means that their social environments abhors such acts, but when they have positive perceptions towards it, it equally shows that their social environment justify such acts. It is worthy of note that in many communities, people honor youths who have amassed wealth through internet fraud activities, and for some people, internet fraud is less serious than traditional crimes like armed robbery, kidnapping, murder etc. In fact, some people regard internet fraudsters as smart people who are hustling to survive. To such people, internet related crimes may not actually be regarded as serious crimes, while for others; internet crime is very heinous and retards socio-economic development. Using this framework, this study would examine the perception of the public regarding the effects of youths' involvement in internet fraud activities on socio-economic development in the Southeast Nigeria.

METHODS

This study employed the mixed-methods survey research design. The design was chosen in consideration of its flexibility in generating reliable data from two approaches (quantitative and qualitative), and allowed the researcher an opportunity to use a sample to study the characteristics of a larger population at a point in time and at a relatively lower cost, in order to generalize the findings to the entire population. The study was conducted in the Southeast geopolitical zone of Nigeria. The area is located between latitudes 04°17' N and 07°06' N and longitudes 05°23' E and 09°28' E [12]. The area consists of the following States: Abia, Anambra, Ebonyi, Enugu and Imo. Being an Igbo ethnic group, people within the area are mainly Igbo speaking people. However, there is mix of people from various ethnic groups who migrated to the area. People within the region are predominantly engaged in various socio-economic activities including farming, commerce, industry, education, hospitality and other major occupational ventures.

A researcher-developed questionnaire was administered to 623 respondents aged 18 years and above who were selected through the multi-stage sampling procedure. The respondents were selected from civil servants, traders, public servants, students, youths out of school and law enforcement officials. In addition, In-Depth Interview (IDI) was conducted with purposively selected key stakeholders in the Southeast Nigeria based on the consideration of their knowledge or experiences about internet frauds among the youths within the study area.

The quantitative data collected were coded into the Statistical Package for Social Sciences (SPSS) software version 21, which was used to process all the needed statistical data. However, the actual data analysis was conducted using descriptive statistics including frequency count and percentages. The data analysed were however presented in tables and charts. In addition, the qualitative data were analysed using theme-based method of content analysis. Findings obtained qualitatively were used to support or refute findings of the quantitative data where applicable.

RESULTS

Table 1: Summary of Socio-Demographic Characteristics of the Respondents

Socio-Demographic Variables	Frequency	Percent
Age Categories		
18 - 27 Years	220	40.0
28 - 37 Years	195	35.5
38 - 47 Years	82	14.9
48 - 57 Years	46	8.4
58 - 67 Years	7	1.3
Total	550	100.0
Marital Status		
Single	369	67.1
Married	178	32.4
Separated	1	0.2

Widowed	2	0.4
Total	550	100.0
Educational Attainment		
No Formal Education	4	0.7
Primary	8	1.5
Secondary	88	16.0
Vocational	11	2.0
Higher/Tertiary	439	79.8
Total	550	100.0
Occupation		
Trading	50	9.1
Paid Employment	89	16.2
Self-Employed/ Small Scale Business	116	21.1
Artisan/Handwork	82	14.9
Unemployed	203	36.9
Others	10	1.8
Total	550	100.0
Place of Residence		
Urban	365	66.4
Rural	185	33.6
Total	550	100.0
Religious Affiliation		
Christianity	508	92.4
Islam	18	3.3
Traditional	20	3.6
Unspecified	4	0.7
Total	550	100.0

Analysis of respondents' ages showed that a majority (40.0%) of young adults aged between 18 – 27 years, participated in the study. The least age category in the analysis is 1.3% of the respondents who aged between 58 – 67 years. Analysis of mean age indicated that the respondents fell within the mean age of 32.7 years old. This implies that a majority of adult youths participated in the study compared to older individuals. For marital status of the respondents, data analysis showed that a majority (67.1%) of them were single, while about a quarter proportions (32.4%) of them were married. Data analysis equally showed that the modal frequency in the analysis of educational attainment of the respondents is 79.8% of them who attained up to higher/tertiary level of education. This implies that the level of educational attainment among the populace in the Southeast Nigeria is very impressive. Only 1.5% of them attained the least (primary) level of education, while a very lower proportion (0.7%) of them did not have any formal education.

On the question of respondents' occupations, data analysis showed that a majority (36.9%) of them were unemployed within the period of this study. This is equally not surprising since a good number of youths participated in this study and youth unemployment is a topical issue in Nigeria. The analysis equally shows that 21.1% of them were self-employed or owned small scale businesses. The least proportion (1.8%) of the respondents were those who engaged in other forms of occupations including farming, menial jobs such as cleaning services, among others.

Data analysis equally showed that a majority (66.4%) of the respondents were drawn from the urban areas of the selected States, while a lower proportion (33.6%) of them was drawn from the rural areas. For data analysis on respondents' religious affiliation, almost all the respondents (92.4%) indicated being affiliated with the Christian religion. This was expected since the study area is a Christian dominated region in Nigeria. However, 3.6% of the sampled respondents indicated being affiliated with traditional religion, while the least proportions (3.3%) of them were affiliated with the Islamic religion.

Table 2: Respondents' Ratings on the Effects of Internet Fraud on Socioeconomic Development

Items/Statements	Disagree/ Strongly Disagree	Undecided	Strongly Agree/ Agree	Total
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- It causes financial hardship and bankruptcy on victims and their households	151 (27.5%)	46 (8.4%)	353 (64.2%)	550 (100.0%)
- It places serious financial cost on the law enforcement agency in putting logistics and measures to combat	160 (29.1%)	94 (17.1%)	295 (53.7%)	549 (100.0%)
- It weakens direct foreign investment in the southeast zone of Nigeria	154 (28.1%)	90 (16.4%)	305 (55.6%)	549 (100.0%)
- Making young financial investors in the southeast Nigeria to be tagged as fraudsters, thereby making them lose investment opportunities	106 (19.3%)	75 (13.7%)	368 (67.0%)	549 (100.0%)
- It undermines peoples' interest and confidence in digital economy, thereby inhibiting the speedy growth of financial institutions and southeast zone in general	138 (25.1%)	69 (12.6%)	342 (62.3%)	549 (100.0%)
- Many youths end up being caught by law enforcement agents and sent to prison, leading to loss in productive segment of the population	135 (24.6%)	60 (10.9%)	354 (64.5%)	549 (100.0%)
- Internet frauds targeting businesses may lead to immediate and long term economic losses that could affect socio-economic development of the southeast zone	185 (33.7%)	46 (8.4%)	318 (57.9%)	549 (100.0%)

In table 2, a number of statements corresponding to the effects of internet fraud on the socioeconomic development were presented to the respondents. The items were designed on a 5-point Likert rating scales with response options ranging from strongly agree to strongly disagree. In order to manage data for interpretation, the response options were collapsed into three response categories using the 'Re-code variables' function in SPSS – where the two negative response categories (disagree and strongly disagree) were re-coded into one single unaffirmative response category. The neutral response category (undecided) was retained; while the two affirmative response categories (strongly agree and agree) were re-coded into one single affirmative response category. Consequently, data analysis showed that the respondents were affirmative in all the given items. This implies that a majority of the respondents have the perception that all the variables presented in the table constitute effects of youths' internet fraud on the socioeconomic development of Southeast Nigeria. Since the findings revealed thus, it was considered important to analyse the descriptive ranking of the variables in order to determine the most daring effects of youths' internet fraud activities on the socioeconomic development of Southeast Nigeria. This is presented in figure 1.

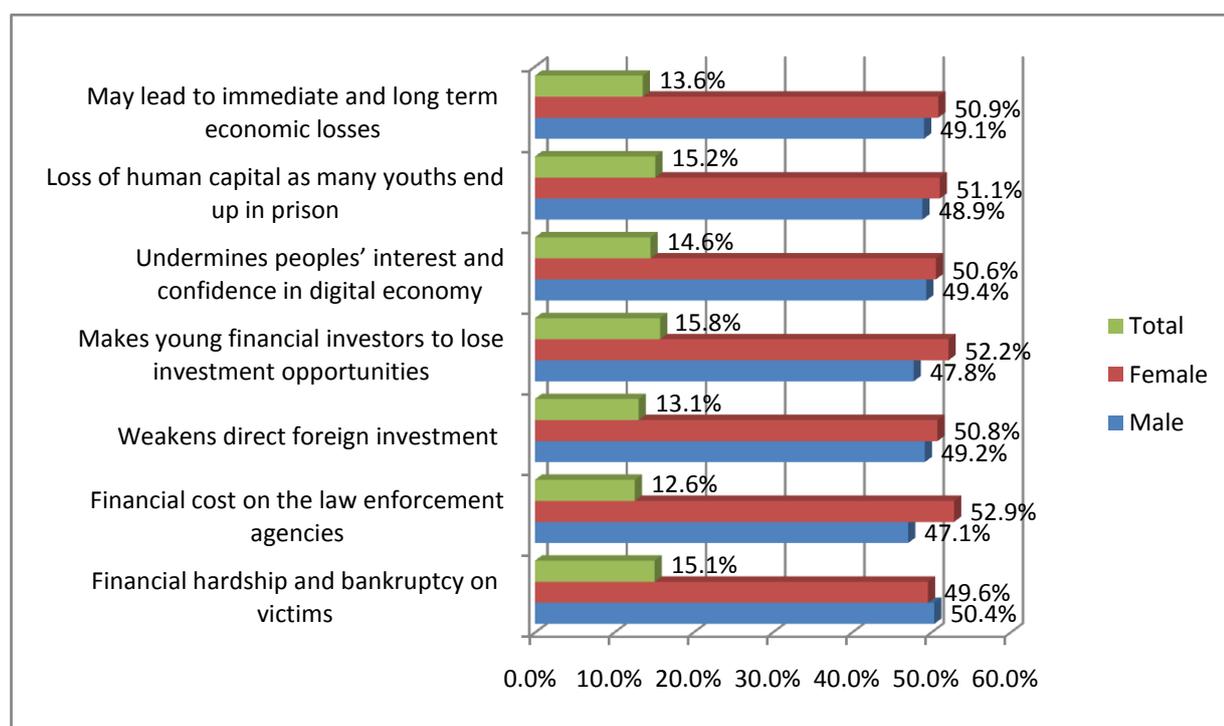


Fig.1: Respondents' Views Regarding the Most Daring Effects of Youths' Internet Fraud on the Socioeconomic Development of Southeast Nigeria

Judging from the data in figure 1, particularly from the series containing the total, it is clear that a majority of the respondents had a strong affirmation that three among the factors indicated in figure 1 including: i) making financial investors loose investment opportunities, ii) loss of human capital, and iii) financial hardship and bankruptcy on victims) are the major effects of youths' internet fraud involvement on the socioeconomic development within the Southeast Nigeria. The least factor in the list is that of financial cost it imposes on the law enforcement agencies in putting logistics and measures to control the crime, as indicated by 12.6% of the respondents. The data were equally analysed in relation to the gender responses on each of the factors identified. Consequently, no significant variations were observed between the responses of male and female respondents on each of the factors identified. This implies that both male and female respondents have similar views about the variables being the effects of youths' internet fraud on the socioeconomic development with the Southeast Nigeria. Responses obtained from the views of the selected interviewees equally fall in tandem with some of these quantitative findings. For instance, an interviewee was of the opinion that,

The effects of the crime are just negative because anything that is not sustainable cannot yield any positive result. They are laying bad background for the future generation. They are teaching them that it is bad to be hard working. They are telling them the easy ways of making money without sustainability and that is very dangerous for our economy (Male, 41 Years, EFCC Official).

Responding on the effects of the crime on the victims, the interviewee went further to say,

...immediately they have been defrauded, if you don't have immediate financial alternative, you may even have mental disorder or emotional imbalance. If nobody comes to your rescue, aaaah! The person may be in comma. When somebody defrauds you of thousand and billions of naira, your business may collapse, which could put the person's family into financial distress (Male, 41 Years, EFCC Official).

Concerning the effect of the crime on the overall socioeconomic growth of Southeast Nigeria, an interviewee said that, ...yes, it affects our Gross Domestic Product (GDP), because if you are talking of economic growth, you have to look at the indicators of economic growth. ...bad foundation is laid through the activities of internet fraudsters – there is no sustainability in it. If you steal something to go and do another thing, productivity is not ensured. ...what it means is that our GDP can never be sustained. Our Gross National Product (GNP) can never be sustained. Inflation will equally be higher; which is very detrimental to socioeconomic growth (Male, 52 Years, Security Consultant).

However, another interviewee had a contrary view that internet fraud has some positive effects on the socioeconomic development of the society. According to the interviewee,

...yeah, it helps to improve the economy. ...because once there is money in circulation, exchange rate will increase. ...I was talking with my mechanic and he was complaining to me that since the police started harassing those yahoo yahoo boys, they no longer get jobs again (Male, 55 Years, Police Official, Department of Intelligence Services).

The above view was indirectly supported by the view of another interviewee who opined that,

...if the fraudsters are making this money outside the Southeast Zone and bringing the benefits into the region, definitely it can encourage development because the investment may be here. In other words, buying cars, building houses and so on, there is a multiplier effect on the economy of the region. But if the crime is within the same zone, the effects may be very daring because it will amount to taking and plowing in the same economy (Male, 48 Years Old, Police Officer, Department of Intelligence Services).

Meanwhile, the interviewee went further to recount the negative effects of internet fraud on the general socioeconomic development of the society. According to the interviewee,

...a flashback to 1994 when we heard about 419, one of the effects of those issues was inflation in the economy of Nigeria. Such is still an effect of internet fraud today. ...the issue is that, ...you know these are money bags; and they were ready to spend money regardless of the price, and once the sellers begin to identify that they are money bags, there is always an adjustment of price upwards because they know that if the commoners do not buy the good, those money bags will definitely buy. Thus, people in the lower class are forced to cue into the adjusted price because they must eat. ...equally, there is an effect of the crime on social ideology. When it comes to marriage for instance, mothers would want to give their daughters to those people who bids properly and when this is the case, marriage institution

becomes commercialised (Male, 48 Years Old, Police Officer, Department of Intelligence Services, Owerri, Imo State).

CONCLUSION/RECOMMENDATIONS

Internet related crimes have been attributed with many negative consequences on the socio-economic development of societies. Yet this view varies significantly among different people, with some people considering it as having some positive effects to socio-economic development against the views of some others. It was on this premise that this study was positioned to investigate the perceived effects of youths' involvement in internet fraud on socio-economic development of Southeast Nigeria. This study has been able to demonstrate through its findings, that there are variations in the perception of the effects of internet fraud on socio-economic development particularly within the Southeast Nigeria. While some people regard it as having some positive effects on socioeconomic development of the people, majority of the people vehemently condemn the act and regard it as very detrimental to the socioeconomic growth of the society at the long-run. Hence, it is concluded in alliance with different scholars that internet fraud among the youth possesses features that could endanger the GDP of the Southeast Nigeria; as well as potential to cause inflation which would invariably affect the livelihood of the people in the zone. Hence, all hands must be on deck to nip the ugly trend in the bud. On this premise, this study recommends that:

1. There is need for the government to establish a special taskforce against internet fraud in each State of the Federation. Such taskforce should be equipped with internet security experts who should be charged with the responsibility of tracking fraudulent activities in the internet, as well as detecting fraudulent websites and malwares used in conducting internet fraud activities.
2. There is equally a need for public sensitization on the negative effects of internet related crimes on the society. This would help to create a general reshape peoples' views about the crime and enhance general condemnation against internet fraudsters.

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