



EFFECT OF INSECURITY ON SMALL BUSINESS PERFORMANCE IN NIGERIA: A CASE OF SELECTED SMALL AND MEDIUM ENTERPRISES IN NIGERIA

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ABSTRACT

Nigeria is experiencing an alarming rate of insecurity which has posed hazards in the business environment. The study examined the effect of Insecurity on Small Business Performance in Nigeria; A case of selected Small and Medium Enterprises (SMEs) in Nigeria. The study centered on insecurity incidents such as Boko Haram insurgency, and armed banditry as it affects performance of SMEs in Nigeria. The study adopted ex-post facto research design. The population of the study was 73,081 which comprises of SMEs in Nigeria. Descriptive statistics, while Correlation and Multiple Regression of Ordinary Least Square technique was used to test the hypotheses using E-View software package version 9.00. The findings of the study revealed that Boko Haram has significant effect on SMEs Performance in Nigeria; hypothesis two revealed that armed banditry has significant effect on SMEs Performance in Nigeria; has significant effect on SMEs performance (level of output, and capacity utilization) in Nigeria. The study concludes that insecurity (Boko Haram, and armed banditry) has significant effect on SMEs Performance in Nigeria. The study recommends that federal government should grant legislative power for state and local government to establish local security to curtail Boko Haram insurgency and improve a secured business environment to boost SMEs performance; government should support security agencies with modern equipment, improved welfare package that motivate them in identifying dens of bandits and neutralizing them to enhance a safe environment for SMEs performance in Nigeria; and government should task security agencies to improve on intelligence gathering, provide SMEs owners with modern training on intelligence gathering to help track kidnappers and promote a stable environment for SMEs performance in Nigeria.

Keywords: *Effect, Insecurity, Performance, Small and Medium Enterprises*

1.0 Introduction

Many countries around the globe presently are facing insecurity and as such insecurity has become a global phenomenon. Africa's most populous country, Nigeria, has been experiencing unprecedented levels of violence and insecurity. This situation has jeopardized national security and has prompted huge allocation of the national budget to insecurity (Achumba & Akpor, 2013). Despite the huge amount invested on national security, the federal government has failed to provide a secured and safe environment for the citizens, properties and the conduct of business activities in Nigeria. The alarming level of insecurity in Nigeria has increased the crime rate and terrorist attacks in different parts of the country, leaving unpalatable consequences for the nation's economy and business performance. Insecurity has affected the operations of business in Nigeria where shops, business centres, offices, are closed

very early due to, armed robbery, banditry, kidnapping, and terrorist attacks. Insecurities also cause operation management to stop production or utilization of available resources such as material, men, and machines etc. which invariably affect the output, utilization capacity, value addition to Gross Domestic Product (GDP) by small and medium enterprises in Nigeria. Consequently, because of the compulsory *SIT-AT-HOME* order by Indigenous People of Biafra (IPOB) every Monday in the Southeast people are no longer free to go about their business activities for fear of being killed which seriously, affect business operations in the Southeast of Nigeria, while the North is grappling with renewed attacks from bandits, insurgency of Boko Haram, ISWAP, and other terrorist groups who are engage in mass adoption, kidnapping, Cattle rustling, Killing and burning Rural communities is worrisome for business performance.

Nigeria business environment have continued to record unprecedented level of insecurity which appear to have affected Business performance. Most businesses such as small and medium scale enterprises are experiencing declining output, low-capacity Utilization of resources, and low value addition to Gross Domestic Product (GDP) due to numerous cases of insecurity from terrorism, banditry, Kidnapping, Boko Haram insurgent, Armed robbery, and activities of Indigenous people of Biafra (IPOB) in South east Nigeria is worrisome Sarki et al (2021).

In an effort to curb insecurity in the country, government has constantly allocated greater amount of the country's budget to security (Achumba, 2012). Other efforts of the government include designation of bandits, IPOB as terrorist groups, initiation of peace talk deal with bandit by some State Governors, shutting down of Telecommunications Network in most hit local government in the North west in late 2021. But however, in spite these effort by the government, the insecurity situation remains unabated as terrorist continue to lunch attacks on public and private institutions such as schools, markets, worship centers, security formation, and rural communities at large as they intensify their campaigns, kidnapping travelers on the high way for ransom, killing and burning markets, Rustling Cattles and melting mayhem on citizens in the country is worrisome for business performance.

Recently, researches conducted by Sarki et al (2021), (Rosenje, et al (2020), Opusunju, et al (2019), Awortu (2015) and Isokon, et al (2019) on the subject matter showing how terrorist attacks unleashed by bandits through kidnapping, Boko Haram insurgent, armed robbery IPOB has hampered the Performance of SMEs. It is against these challenges that this study seeks to examine the effect of insecurity on Small and Medium Enterprises performance of in Nigeria.

Objective of the Study

The main objective of the study is to examine the effect of insecurity on Small Businesses performance in Nigeria. A case of selected Small and Medium Enterprises in Nigeria. The Specific objectives are to:

- i. Determine the effect of Boko Haram insurgency on Small and Medium Enterprises performance in Nigeria.

- ii. Evaluate the effect of Armed banditry on Small and Medium Enterprises performance in Nigeria.

2.0 Literature Review

2.1 Conceptual Review

Concepts of the variables were discussed as follows:

i. Concept of Insecurity

Achumba et al (2013) defines insecurity from two perspectives. Firstly, insecurity is the state of being open or subject to danger or threat of danger, where danger is the condition of being susceptible to harm or injury. Secondly insecurity is the state of being exposed to risk or anxiety, where anxiety is a vague unpleasant emotion that is experienced in anticipation of some misfortune. These definitions of insecurity underscore a major point that those affected by insecurity are not only uncertain or unaware of what would happen but they are also vulnerable to the threats and dangers when they occur.

Insecurity is the opposite of what we have as security. Insecurity like security is often used in a number of ways. Many people would take it to mean lack of safety or the existence of danger; hazard; uncertainty; lack of trust; doubtful; inadequately guarded or protected; lack of stability; disturbed; lack of protection and unsafe (Achumba et al, 2013). Adebajoko & Ugwuoke (2014) opine that insecurity is the State of being subject in every respect to terror, threat, risk, molestation, bullying, harassment.

iii. Kidnapping

Though kidnapping started in the oil-rich Niger Delta area when it was used as a tool to address the wanton neglect of their communities by successive administration, it has since grown to become the new multimillion naira business now thriving outside the region. As Nwankwo (2012), noted, for the south-east, kidnapping is now a tool for settling personal and political scores.

iv. Boko Haram

Boko Haram is a religious Islamic sect that came into the limelight in 2002 when the presence of the radical Islamic sect was first reported in Kanama (Yobe state) and also in Gwoza (Borno state) Nwanegbo and Odigbo (2013). "Boko Haram," which in the local Hausa language means "Western education is forbidden," officially calls itself "Jama'atul Alhul SunnahLiddawatiwal Jihad," which means "people committed to the propagation of the Prophet's teachings and jihad" (Meehan and Speier 2011). This ranges from killing of innocent Nigerians, raping of women, bombing of major cities and police stations in the northern part of Nigeria, particularly, Borno, Kano, Bauchi, Niger, Yobe, Adamawa, Abuja, among others (Nwagboso, 2012).

v. Armed Robbery

Apart from the scourge of kidnapping Nigeria has become a fertile ground for dare devil robbers and all sorts of criminalities. There is no evidence to show that all security measures put on ground by Nigeria government has shown any appreciable drop in the incidents of armed robbery. Rather, it would seem armed robbery is on the increase. The situation is such that virtually every Nigerian now lives inside highly walled fences and barricaded compound, a sort of self-imposed prison yard.

vi. **Terrorism**

Terrorism is a global phenomenon and it is ravaging the whole world. It has been defined by Sampson and Onuoha (2011) as “the premeditated use of threat or use of violence by an individual or group to cause fear, destruction or death, especially against unarmed targets, property or infrastructure in a state, intended to compel those in authority to respond to the demands and expectations of the individual or group behind such violent acts such as ISIS, ISWAP, ANSARU and many others.

vii. **Banditry**

Banditry refers to the incidences of armed robbery or allied violent crimes, such as kidnapping, cattle rustling, and village or market raids. It involves the use of force, or threat to that effect, to intimidate a person or a group of persons in order to rob, rape or kill (Okoli & Okpaleke, 2014).

banditry is a derivative of the term bandit meaning an unlawful armed group terrorizing people and confiscating their properties. It is synonymous with the establishment of gang groups who use small and light weapons to carry out attacks against people. In this regard, banditry could mean a set-up criminal activity deliberately designed and carried out for personal gains. Due to the complex nature of bandits' activities, Egwu (2016) in a restricted manner, described banditry as a practice of stealing cattle and animals from herders or raiding of cattle from their ranches.

2.2 **Concept of Performance**

Performance can be defined in various contexts depending whether objective (quantitative/financial) or subjective (qualitative/non-financial) measures are used. Financial performance measures organizational effectiveness using yardsticks of profitability such as Return on Assets (ROA), Return on Equity (ROE), Net Profit or Gross Profit (Parker, 2000). Non-financial performance measures relate to qualitative effectiveness, growth, business Sustainability, business operations, expansion, efficient service delivery, product quality, survival and competitiveness and socio-economic (Dobbs & Hamilton, 2007). Performance of SMEs is defined as an association's capacity to make activity and worthy results (Pfeiffer & Salancik, 1978). Different scholars have different view of performance measurement of SMEs. Henezel (as cited in Shahbaz, Asifah, & Amina, 2014) explained that to measure performance, SMEs must establish some standards and then they must gauge and evaluate their strategies, values, practices by benchmarking with high performance. Also, Kravchuk and Schack (1996) asserted that performance is measured for evaluating how well SMEs is performing cited in (Shahbaz, et al2014).

i. Output

Output in economics is the "quantity (or quality) of goods or services produced in a given time period, by a firm, industry, or country" Alan Deardorff(2004). whether consumed or used for further production. and (2004). Output is a quantity of goods or services produced in a specific time period (for instance, a year). For example, output can be the number of tons of sugar or boxes of cookies produced in a year by a business or industry. The concept of national output is essential in the field of macroeconomics. It is national output that makes a country rich, not large amount of money,(Ahuja, 1978).

ii. Capacity Utilization

Capacity utilization is a concept in Economics, which refers to the extent to which an enterprise or a nation actually uses its installed productive capacity (Adeyemi and Olufemi, 2016). Thus, it refers to the relationship between actual output produced and potential output that could be produced with installed equipment if capacity was fully used. Capacity utilization in industry is described as the level of utilization of an industry's installed productive capacity.

An industry would be said to be performing optimally when its installed production capacity is fully utilized. By contrast, in the cost approach, capacity output is an optimum level of output at which an additional unit of output would well exceed the output range.

Capacity utilization (CU) is a concept, which expresses the rate at which an industry actually uses its available capacity. In the past era, industries did not familiar with the CU concept and its significance to enhance productivity (Corrado & Matthey, 2016).

Iv. Concept of Small and Medium Enterprises

Understanding the size, components, and benefits of small and medium enterprises to citizens' life, most especially people at the grass root level, is an important factor to be considered in defining small scale business. With the current rate of unemployment and poverty level in Nigeria, small business has become source of livelihood to millions of Nigerians. About 60% of all the business established in Nigeria is on small scale level Nzelibe (1990), (Okeke, Ezenwafor, and Femiwole, 2013).

Small scale businesses, small scale industries and small-scale entrepreneurship are used interchangeably in thesis to mean a Small and Medium Enterprise. Its deliberation was to refer to the operational definition. In Nigeria and worldwide, there seems to be no specific definition of small business. Different authors, scholars, and schools have different ideas as to the differences in capital outlay, number of employees, sales turnover, fixed capital investment, available plant and machinery, market share and the level of development, these features equally vary from one country to the other (Zhiri, 2017). In Nigeria, for example, the Third National Development plan defined a small-scale business as a manufacturing establishment employing less than ten people, or whose investment in machinery and equipment does not exceed six hundred thousand naira (Bowale & Ilesanmi, 2014).

2.3 Theoretical Review

i. The Human Needs/Socio-Economic Theory

The Human needs/Socio-Economic Theory blames insecurity to poor social conditions of people. The theory is anchored on the human need theory of social conflicts, which was propounded by (Faleti, 1990). Its central thesis is that all humans have basic needs which they seek to fulfill and failure caused by other individuals or groups to meet these needs could lead to conflict. The theory is similar to the frustration-aggression theory of violence, which posits that aggression is always a consequence of frustration (Dougherty & Pfaltzgrate Jr, 1990). According to the theory, relative deprivation is a perceived disparity between value expectation and value capabilities and that the lack of a need satisfaction – defined as a gap between aspirations and achievement generally – relies on the psychological state of frustration and aggressive attitudes emanating from it (Midlarsky, 1975).

This theory has its largest proponents from the intelligentsia, and is particularly viewed by some foreign governments such as United States and Britain as explanations for the Nigeria's socio-economic problems. Indexes seem to validate the assumption of human needs theory. The Human Development Index Trend, for instance, ranked Nigeria 156 out of 186 in 2011. The socio-economic factors being adduced as the root causes of violence in Nigeria include unemployment, especially among the youth, poverty and a deteriorating standard of living, especially in the north. But perhaps its relevance in the interpretation of the Boko Haram problem is, while its proponents admitted the endemic poverty and hopelessness generally in Nigeria, they note its severity in the north. Hence for Professor Jean Herskovits of the *State University of New York*, to whom "it was clear in 2009 when the insurgency began that the root cause of violence and anger in both the north and south of Nigeria is endemic poverty and hopelessness," the government must address socio-economic deprivation, which is most severe in the north (Herskovits, 2012).

ii. Conspiracy Theories

The conspiracy theories attempting to explain the Boko Haram crisis can be marked into two broad categories: one focusing on machinations of internal actors, the other on external actors. Internal actors may include the disgruntled northern power elite who, having lost power, and are bent on bringing down Nigeria under a southern leadership, as well as the Jonathan administration itself, which may be sponsoring the crisis in order to rally southern support behind his administration, and there is also the perception that Boko Haram may be a secret society controlled by some 'invisible' hands that seek to destroy the north ahead of 2015 so as to forestall or weaken its bid for the presidency at that time (Adibe, 2012). External actors, on the other hand, may include powerful western states like the United States, or neighbouring African states envious of Nigeria's progress and stability.

For the first hypothesis regarding internal actors, which we have treated in great detail under the political feud theory, our position is that its merit probably lies in the profound feeling of marginalization emanating from the north-east, either in terms of perceived denial of socio-economic infrastructure and/or the Kanuri sense of

marginalization from central power. The second hypothesis also contends that part of the support mobilization strategy was to portray Islam in bad light by hitting Christian targets. This hypothesis perhaps draws from instances where attempts or actual attacks on Southern and Christian targets both in the north and south, which were blamed on Boko Haram, but were traced to Christian southerners (Blueprint, Tuesday January 31, 2012). Similarly, in November 2011, the State Security Services (SSS), also paraded a syndicate that circulated terror messages, which prompted some foreign diplomatic missions to issue warnings that emptied Abuja's high-brow hotels. The group was comprised southern Christians and not Muslims nor northerners.

Iv. Relative Deprivation Theory

This theory was propounded by Gurr (1971) in his bid to explain the cause of insecurity across societies. According to the theorist, the tension emanating from the imbalance between people's expectation from the society and the provisions from the society in terms of value satisfaction leads the dissatisfied members of the society to violence. In the words of the author, relative deprivation shows the imbalance in peoples wants/expectations and what the people actually gained from the society. The relative deprivation theory is of the view that people will be most likely to engage in acts that endanger the security of the state when their societal values has become hopeless and the possibility of actualizing their goals is jeopardized by the degree of hardship, they are being subjected to mostly through the activities of the state actors. Saleh (2013) noted that some of the sources of the people's frustration includes but not limited to economic depression and inflation among others. Saleh (2011), the degree of peoples' discontentment from the activities of the state actors evidenced by the failure to meet the expectations of the poor masses in terms of social amenities and better living condition which they (believed as provided in the constitution to be what they are entitled to by the virtue of their identity), gradually leads to disorientation of the of the citizenry and the insecurity war against the state. In Nigeria, the degree of the political leaders' failure in meeting the expectations of the masses has greatly disoriented a number of the unemployed youth due to increasing discontentment. Dare et al., (2017) stated that the practice of the elite theory by the political leaders in Nigeria has greatly influenced insecurity in the country.

Vi. Theoretical Base for the Study

The study is based on the Human Needs/Socio-Economic Perspective. The perspective which blames social conditions for the violence is anchored on the human need theory of social conflicts. Its central thesis is that all humans have basic needs which they seek to fulfill and failure caused by other individuals or groups to meet these needs could lead to conflict (Rosati et al, 1990 cited in Faleti). The theory is similar to the frustration-aggression theory of violence, which posits that aggression is always a consequence of frustration (Dougherty and Pfaltzgrate Jr, 1990).

2.4 Empirical Review

Adeniyi and Musharafa (2022) Studied the Impact Of Banditry On Nigeria's Security In The Fourth Republic: An Evaluation Of Nigeria's Northwest. This paper examined the impact of banditry on Nigeria's security focusing on the northwest region. The

paper adopted descriptive method, made use of secondary sources of data while the Queer Ladder Theory (QLT) and Frustration-Aggression Theory were employed as the explicatory framework.

Nwagbala and Ani (2022) examined Security Challenges and the Implications on Business Sustainability in Nigeria. This study seeks to examine the root causes of insecurity hindering business sustainability and possible solutions to leverage on to promote security and sustainable development in Nigeria.

Shavah (2022) examined Effect of Insecurity on Nigeria's Economic Growth. The study examined the effect of insecurity on Nigeria economic growth. The research design employed for the purpose of this research is ex-post facto research design. The data used for this study are basically time series data covering 2011 to 2020. The procedure in the analysis was multiple regression econometric procedure.

Kode (2022) examined the Effect of Insecurity on The Business Climate in Plateau State. A Case Study of Jos North LGA of Plateau State. this study focused on the effect of insecurity on the business climate in Plateau state with Jos north LGA serving as the case study. The analysis of data was carried out using the Ordinary Least Square OLS Regression and Chi-square technique. The regression result showed that the coefficients of insecurity was positively related to the loss of business customers, the results of the chi square revealed that insecurity has a significant effect on the business climate in Jos North.

2.5 Research Gaps of the Study

From the empirical reviews, most work were centered on insecurity and socioeconomic development in Nigeria, insecurity, causes and solution, insecurity and foreign direct investment, with little work on insecurity effect on small businesses performance. This study fill the literature gap by examining the effect of insecurity on small and medium enterprises performance in Nigeria, using output, Capacity Utilization, and value added to GDP as dependent variables and multiple independent variables which most study reviewed did not make use of the variables.

3.0 Methodology

This chapter describes the study area, research design, population of the study, sources of data, method of data collection, technique for data analysis, and model specification.

3.1 Research Design

The study used ex-post facto research design as the research made used of historic or time series data. The variables for the study are based on secondary data sources. The data were sourced from the annual statistical bulletin of the CBN from 2000 to 2022,

for performance measurement of small and medium enterprises, and on insecurity data from National Bureau of Statistic facts book (see appendix A).

3.2 Population of the Study

The population of this study comprised of 73,081 SMES in Nigeria cutting across the six geopolitical zones based on the last SMEDAN Survey of 2022. These SMES are categorize by sectors. They are Manufacturing, Mining & Quarrying, Accommodation & Food Services, Agriculture, Wholesale/Retail Trade, Construction, Transport & Storage, Information And Communication, Education, Administrative And Support Service Activities, Arts, Entertainment And Recreation, Real Estate Activities, Human Health & Social Works, And Professional, Scientific And Technical Works.

3.3 Methods of Data Analysis

The empirical analysis in this study includes descriptive statistics, pre and post estimation analysis of the variables. Regression analysis was used to test the hypotheses. Ordinary least square was used because it is useful for estimation of performance.

3.4 Specification of the Study Variables

For the purpose of this study, the independent variable is insecurity, which are proxies by kidnapping, and Boko Haram. While the dependent variable is performance of Small and Medium Enterprises which is proxy by Output, and Capacity utilization. The independent variable is to be measured qualitatively, while the dependent variable is to be measured quantitatively using regression models. The model is given as follows:

$$OTP = \alpha + \beta_1 KNP + \beta_2 BH + \beta_3 ARB + \varepsilon_i \quad (1)$$

$$OTP = \alpha + \beta_1 KNP + \beta_2 BH + \beta_3 ARB + \varepsilon_i \quad (2)$$

Where KNP= Kidnapping, BH=Boko Haram, and ε_i =error term, α = intercept, OTP= Output, CU=Capacity Utilization. β_1 , β_2 and β_3 are the regression coefficients which measure the degree of the responsiveness of the dependent variables to the independent variables.

4.0 Data Presentation and Analysis

This chapter present tabular presentation of the data, pre and post estimation of the variables, statistical tests and analysis using correlation and regression via the e-view statistical software package version 9.00. This chapter also provides the findings and discussion of the result.

4.1 Data Analysis and Results

Insecurity and Output of Small and Medium Enterprises in Nigeria

Table 1: Regression Result on Insecurity and Output of SMEs

Dependent Variable: LOTP

Method: Least Squares

Date: 05/28/23 Time: 01:55

Sample: 2000 2022

Included observations: 23

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.961026	0.508231	7.793746	0.0000
LBH	-0.062168	0.017454	-3.561896	0.0021
LARB	-0.029442	0.068301	-0.431058	0.6713
R-squared	0.502026	Mean dependent var	4.013061	
Adjusted R-squared	0.407609	S.D. dependent var	0.131724	
S.E. of regression	0.109607	Akaike info criterion	-1.427052	
Sum squared resid	0.228262	Schwarz criterion	-1.229575	
Log likelihood	20.41110	Hannan-Quinn criter.	-1.377387	
F-statistic	4.257978	Durbin-Watson stat	1.996816	
Prob(F-statistic)	0.018476			

Source: E-view output, version 9.00

Decision Rule: 5% level of significance

The Fisher-statistics (F) is 4.257978 with an associated P statistic value of 0.018 which suggested that the model is a good fit. The coefficient of kidnapping (LKND) is negative and significant in achieving Small and Medium Enterprise output in Nigeria.

The coefficient of Boko Haram (LBH) is negative and significant in achieving Small and Medium Enterprise output in Nigeria. The $LOTP = 3.9 - 0.06LBH$ which indicates that Small and Medium Enterprises output will decrease by 6% for every 1% increase in Boko Haram activities or attack. The p-value of 0.002 is more than the t-Statistic value of -0.43 and the standard error value of 0.017 is more than the t-statistic value which implies that there is negative and significant effect of Boko Haram on Small and Medium Enterprises output in Nigeria.

The coefficient of armed banditry (LARB) is negative and significant in achieving Small and Medium Enterprise output in Nigeria. The $LOTP = 3.9 - 0.06LARB$ which indicates that Small and Medium Enterprises output will decrease by 6% for every 1% increase in armed banditry activities or attack. The p-value of 0.67 is more than the t-Statistic value of -3.56 and the standard error value of 0.06 is more than the t-statistic value which implies that there is negative and insignificant effect of armed banditry on Small and Medium Enterprises output in Nigeria.

The remaining 50% can be explained by other related factors not noted in the regression model. The f-statistic value of 4.257978 is significant at p-value of 0.00 and the finding is that there is significant effect of insecurity on Small and Medium Enterprises output in Nigeria.

Insecurity and SMEs Capacity Utilization in Nigeria

Table 2: Regression Result on Insecurity and SMEs Capacity Utilization in Nigeria

Dependent Variable: LCU

Method: Least Squares

Date: 05/28/23 Time: 01:57

Sample: 2000 2022

Included observations: 23

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.687597	0.654796	5.631671	0.0000
LBH	-0.033607	0.022487	1.494513	0.1515
LARB	-0.036570	0.087998	0.415575	0.6824
R-squared	0.677059	Mean dependent var	3.828607	
Adjusted R-squared	0.626068	S.D. dependent var	0.230934	
S.E. of regression	0.141216	Akaike info criterion	-0.920278	
Sum squared resid	0.378899	Schwarz criterion	-0.722800	
Log likelihood	14.58319	Hannan-Quinn criter.	-0.870613	
F-statistic	13.27806	Durbin-Watson stat	1.190776	
Prob(F-statistic)	0.000066			

Source: e-view output, version 9.00

Decision Rule: 5% level of significance

The Fisher-statistics (F) is 13.27806 with an associated P statistic value of 0.000 which suggested that the model is a good fit. The p-value of 0.00 is more than the t-Statistic value of -4.78 and the standard error value of 0.02 is more than the t-statistic value.

The coefficient of Boko Haram (LBH) is Negative and significant in achieving Small and Medium Enterprise capacity utilization in Nigeria. The LCU= $3.68+0.03$ LBH which indicates that Small and Medium Enterprises capacity utilization will decrease by 3% for every 1% increase in Boko Haram activities or attack. The p-value of 0.15 is more than the t-Statistic value of 1.49 and the standard error value of 0.02 is more than the t-statistic value which implies that there is positive and insignificant effect of Boko Haram on Small and Medium Enterprises capacity utilization in Nigeria.

The coefficient of armed banditry (LARB) is Negative and significant in achieving Small and Medium Enterprise capacity utilization in Nigeria. The LCU= $3.68+0.03$ LBH which indicates that Small and Medium Enterprises capacity utilization will decrease by 3% for every 1% increase in armed banditry activities or attack. The p-value of 0.68 is more than the t-Statistic value of 0.41 and the standard error value of 0.08 is less than the t-statistic value which implies that there is positive and insignificant effect of armed banditry on Small and Medium Enterprises capacity utilization in Nigeria.

The coefficient of determination (r^2) of 0.67 indicates that about 67% variation in Small and Medium Enterprises capacity utilization can be explained by insecurity (Boko Haram and armed banditry). The remaining 33% can be explained by other related factors not noted in the regression model. The f-statistic value of 4.257978 is significant

at p-value of 0.00 and the finding is that there is significant effect of insecurity on the capacity utilization of Small and Medium Enterprises in Nigeria.

4.2 Discussion of Findings

The findings also agree with the work of Sani, et - al (2021), Opusunju etal (2019), Eme (2012), Adebisi et al (2017) and Modu and Uba (2020) that insecurity has significant effect on the performance of Small and Medium Enterprises in Nigeria. However, the findings do not agree with the findings of Sarki etal (2021) whose Results showed that there existed a weak relationship between insecurity and Small and Medium Enterprises.

In hypothesis one, it is evident that there is significant effect of insecurity on the output of Small and Medium Enterprises in Nigeria. There is negative and significant effect of kidnapping on Small and Medium Enterprises output in Nigeria. There is negative and significant effect of Boko Haram on Small and Medium Enterprises output in Nigeria. There is negative and significant effect of armed banditry on Small and Medium Enterprises output in Nigeria.

In hypothesis two, it is evident that there is significant effect of insecurity on the capacity utilization of Small and Medium Enterprises in Nigeria. There is negative and significant effect of Boko Haram on Small and Medium Enterprises capacity utilization in Nigeria. There is negative and significant effect of armed banditry on Small and Medium Enterprises capacity utilization in Nigeria

5.0 Summary, Conclusion and Recommendations

Based on the result of the analysis, this chapter provides the summary of findings, conclusions and recommendations for the study.

5.1 Summary of Findings

The Study examines the effect of insecurity on Small Business performance in Nigeria. A case of Small and Medium Enterprises in Nigeria. From the analysis, it was found that insecurity has significant effect on Small and Medium Enterprises performance in Nigeria. This implies that there is significant effect of insecurity on Small and Medium Enterprises output in Nigeria.

Furthermore, hypothesis one revealed a significant effect of insecurity on Small and Medium Enterprises Performance in Nigeria. The coefficient of BokoHaram (LBH) is negative and significant in achieving Small and Medium Enterprise output in Nigeria. The LOTP= 3.9-0.06 LBH which indicates that Small and Medium Enterprises output will decrease by 6% for every 1% increase in Boko Haram activities or attack. Therefore, there is negative and significant effect of Boko Haram on Small and Medium Enterprises output in Nigeria. The coefficient of Armed banditry (LARB) is negative and significant in achieving Small and Medium Enterprise output in Nigeria. The LOTP= 3.9-0.06LARB which indicates that Small and Medium Enterprises output will decrease by 6% for every 1% increase in armed banditry activities or attack.

Therefore, there is negative and significant effect of armed banditry on Small and Medium Enterprises output in Nigeria.

Hypothesis two, indicates that there is significant effect of insecurity on Small and Medium Enterprises capacity utilization in Nigeria. The coefficient of Armed banditry(LARB) is Negative and significant in achieving Small and Medium Enterprise capacity utilization in Nigeria. The LCU= $3.68+0.03LBH$ which indicates that Small and Medium Enterprises capacity utilization will decrease by 3% for every 1% increase in armed banditry activities or attack. Therefore, there is positive and significant effect of Armed banditry on Small and Medium Enterprises capacity utilization in Nigeria

5.2 Conclusion

The following conclusions were reached from the result analyzed.

The Study concludes that Boko Haram has negative significant effect on Small and Medium Enterprises output, Capacity utilization, and value added to Gross Domestic Product.

Furthermore, Armed Banditry has negative significant effect on Small and Medium Enterprises Capacity utilization, output and value added to Gross Domestic Product, and lastly

Based on the conclusion reached, the following recommendations were made.

5.3 Recommendations

- i. Government at Federal level should grant legislative power to state and local Government authorities to own state and local government policing in order to curtail Boko Haram insurgency and improve a secured business environment to boost Small and Medium Businesses performance.
- ii. Government should support Security agencies with good welfare implementation and new modern technological equipment to fight banditry, this will motivate them in identifying dens of bandits across the country and neutralizing them to enhance a secured environment for small businesses performance in Nigeria.

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