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# CAUSES AND IMPLICATIONS OF INSECURITY ON ENTREPRENUARIAL DEVELOPMENT AND SMALL BUSINESS OPERATIONS IN NIGERIA: THE PANACEA

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**ABSTRACT:** This paper examines the causes, implications and panaceas for insecurity on entrepreneurial development and small business operations in Nigeria. Using survey research design and well-structured questionnaire, a sample size of 380 was drawn from a population of 8000 entrepreneurs and businesspersons in Orlu local government area of Imo state Nigeria using random sample technique. Analyzing the data using mean-score average, the researchers discovered that bad governance/policies, economic imbalance/marginalization, ethnic /religious imbalances are factors causing insecurity problems in Nigeria. Others include poor / weak security apparatus, porous borders and arms proliferation, unemployment/poverty, political motivated insecurity, loss of traditional value and moral system. The implication of these findings simply revealed that if appropriate action is not taking by the government, the economy will suffer serious underdevelopment, brain drain, winding up businesses, poverty, hunger and unemployment which will create an avenue for relocation of businesses to safer countries and youths employing themselves in criminal activities like kidnapping, banditry, unknown gunmen and armed robbery. The researchers therefore recommended among other things that the panaceas to these treats include restructuring of Nigerian economy, reviewing of 1999 constitution, observing the rule of law and establishment of community policing. Others include provision of adequate infrastructures, moral and technical educations and financial assistance to promote entrepreneurial and small business operations in Nigeria.

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**Keywords:** Entrepreneurial development, Insecurity, Small businesses operations

## 1.0 INTRODUCTION

### 1.1.1. BACKGROUND OF THE STUDY

Insecurity is one of the major social- economic problems ravaging the West African countries especially Nigeria. The alarming level of insecurity in Nigeria has fuelled the crime rate, banditry, kidnapping and terrorists' attacks in different parts of the country, leaving unpalatable and unfavorable business environment for the entrepreneurs and

small business operations in Nigeria. The country in 2020 ranked 131th position out of 190 countries in the world ease of doing business index, which is not a very good performance. According to Olabanji O.E. & Ese, U.(2014), security is a concept that is prior to the state and the prime responsibility of the state. Hence, the state exists in order to provide that concept. The authors indicated that the 1999 Constitution of the Federal Republic of Nigeria

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specifically stated, “the security and welfare of the people shall be the primary purpose of government”. To address the threat to national security and combat the increasing waves of crime the federal government in the 2013 budget made a huge allocation to security, and the national assembly passed the Anti-Terrorism Act in 2011(Olabanji O.E. & Ese U.,2014). As the insecurity continued unabated, the federal government of Nigeria in 2021 through the President Muhammead Buhari’s administration also made a huge budget allocation of N48.01 billion out of the total budget of N899.91billions for defense Intel agency and defense mission(TVC News,2021). The administration also solicited for the assistant of United Nations security force and international community in order to arrest the ugly and deteriorating insecurity trend in the country.

Unfortunately, the buhari’s administration on its constitutional responsibility has failed to provide a secured and safe environment for lives, properties, entrepreneurs, investors and the conduct of business and economic activities. More worrisome is the fact that the Nigerian government seems to be incapable of curtailing this menace or does not want to stop it for undisclosed reasons (Ozoigbo, B. I. (2019).

Against this background, this paper therefore seeks to examine the causes and implications of insecurity on entrepreneurial development and small business operations in Nigeria and proffer solutions to end insecurity in Nigeria.

### **1.1.2 Statement of the Problem**

The higher insecurity in Nigeria has become too worrisome and a very big treats not only to national unity but also to the lives, properties, entrepreneurs and small businesses existing in Nigeria. The worst of it all is that investors are no longer willing to invest in Nigeria and are moving their businesses away to a safer environment or countries due to uncertainties and un-conducive business

environment. Local entrepreneurs and small businesses are not left out, many of their businesses are destroyed or made bankrupt, while others are made to start all over again due to insecurity. The loss of lives, materials resources and businesses to insecurity cannot be quantified from 2016 to 2021 inclusive. Nigerian government has spent billions of naira to provide security and conducive environment for businesses to thrive but regrettably, there has been no meaningful result. The ease of doing business in Nigeria still stood at 131<sup>th</sup> position out of 190 countries in the world ease of doing business index as at 2020.This paper seeks to find out the causes and implications of insecurity on entrepreneurs and small business operators in Nigeria.

### **1.1.3 RESEARCH QUESTIONS**

- 1) What are the causes of insecurity in Nigeria?
- 2) What are the implications of insecurity on entrepreneurial development and small business operations in Nigeria?
- 3) What are the panaceas to insecurity challenges in Nigeria?

### **1.1.4 OBJECTIVE OF THE STUDY**

- 1) To find out the causes of insecurity in Nigeria
- 2) To find out the implications of insecurity on entrepreneurial development and small business operations in Nigeria
- 3) To find out the panacea to insecurity in Nigeria

### **1.1.5 STATEMENT OF HYPOTHESIS**

H0<sub>1</sub>: Bad governance, marginalization, ethnic/religious imbalances are not among the main factors that cause insecurity in Nigeria

H0<sub>2</sub>: There are no insecurity implications on entrepreneurial development and small business operations in Nigeria.

H0<sub>3</sub>: There are no Panaceas to insecurity challenges in Nigeria



### 1.1.6 IMPORTANCE OF THE STUDY

There is a record of serious economic depression caused by insecurity in Nigeria. The study is very important this period every economy is trying very hard to recover from the deadly effects of covid-19 Virus Pandemic. Nigerian entrepreneurs and small businesses are already seriously affected by this insecurity. Businesses are winding up, some are moving away from Nigeria to a safer country. There is need to stop or reduce insecurity to the barest minimum in order to secure business environment, revive the economy and boost economic growth and development in Nigeria.

### 1.1.7 SCOPE OF THE STUDY

This research work is delimited to Orlu Local Government area of Imo state and its environ

## 2.0 REVIEW OF RELATED LITRATURE

### 2.1 Conceptual Considerations

#### 2.1.1 who is an entrepreneur?

Pat Flynn, P. (2020) sees entrepreneur as someone who takes control of the situation. Not necessarily just working for himself, but just making personal decisions that will help him progress in life. Being an entrepreneur is not just about business, and not just about money. But it is about ones goals, happiness, life and being able to have the freedom to explore options that one may not be able to explore while working for someone else. –

[SmartPassiveIncome.com](#)

**Ducker**, C. (2020) defined an entrepreneur as someone who wants to stick it to the man and be their own boss. It is somebody that lives to create, to make difference, and to really build and start things. It is somebody who cannot sit still. Somebody that has an idea a minute and just really wants to create, change and rock and roll-[ChrisDucker.com](#)

**Leslie**, S. (2020) stated that an entrepreneur is someone who creates something that can help others to accomplish their goals. And in turn they are making it into something that earns an income for

them, and for other people. So entrepreneur is someone that is really passionate about helping others and creating opportunities for them to do something that helps them to accomplish their goals.

–[BecomeaBlogger.com](#)

**Rose**, J.(2020) believe that an entrepreneur is someone that is willing to take risks, someone that is willing to make opportunity for themselves by identifying some of their strengths and their passions and essentially how they can take those passions and create solutions for people, and also derive a revenue stream from that. –[GoodFinancialCents.com](#)

**Smith**, C. (2020) sees an entrepreneur as a person who is driven, beyond all reasonable or common sense, and dedicated to their purpose in life. They can see what others can't, and find ways to make it happen. They change the world through their beliefs, which are evident in the products and services they create. –[CarefulCents.com](#)

**Tresidder**, T. (2020) is of the opinion that there are two key characteristics that define entrepreneurs. They are very good at seeing how problems can be converted into profitable business opportunities. And they are very good at implementing that vision. Many people have great ideas, and many people are good at getting things done. It is the rare individual who can do both, and that is why quality entrepreneurs are handsomely rewarded. There is a sense of “embracing the adventure” within them. Entrepreneurs are excited by their vision and see the business implementation process as an exciting adventure. –[FinancialMentor.com](#)

#### 2.1.2 Security

Ozoigbo, B.I. (2019) sees security as a dynamic situation that includes the capacity of the State or Country to ward off any threats to its deep rooted values and interests. citing Akin (2008); Achumba, et al (2013); Onifade C. (2013), the author noted that security is the condition that is present as a result of putting in place ways for the protection of persons,



information and property against hostile persons, influences and actions, a situation where people within a given space natural or otherwise can move about without any threats both real and imagined to their lives or properties. A situation where businesses can be done with ease without any obstacles or hindrance. Security of lives and properties are really the fundamental reason for the existence of a government in the first place as attested by the various social contract theorists ((Olabanji O.E. & Ese U.2014). Prevention of aggressions to the individual both from within and without and securing for him to leverage to optimize his potentialities towards economic and social development is part of the content of security. Ewetan and Urhie(2014), stated that security is the absence of threats to peace, stability, national cohesion and integration, political and socio-economic objectives of a nation. Ozoigbo, B.I.(2019) citing Igbuzor et al (2013), Nweke and Nwachukwu (2014) stated that security entails a situation that enables a person or nation realizes its potentials freely and smoothly and having a reasonable level of predictability at different levels of the social system, from local communities to the global level.

### 2.1.3 Insecurity

Insecurity is the opposite of security and is perceived in different ways.

Ozoigbo, B.I.( 2019) sees insecurity as an absence of safety or presence of danger; hazard; uncertainty; want of confidence; doubtful; inadequately guarded or protected; lacking stability; troubled; lack of protection and unsafe. Insecurity can make one to lose confidence, be afraid, unsettled, oppressed, lose focus, and be devastated and lose one's humanness. Insecurity also includes the possibility of economic vicissitudes, business and infrastructural failures, health crisis and injury or death due to criminalist, banditry or political violence. Due to insecurity, businesses and social structures and institutions

cannot function effectively, hence people cannot plan for the future and financial institutions cannot invest.

## 2.2 Theoretical Literature

The theories reviewed in this study are;

- A) Rational Choice Theory
- B) Deprivation Theory
- C) Religious Fanaticism Theory

### A) Rational Choice Theory

The rational choice theory is a framework for understanding and modeling social and economic behaviour (Louise, S. & Hiikyaa, A.N.(2018). The authors stated that the main thrust of the rational choice theory is that individuals' rational decisions are premised on the expected benefits and costs of each action, and they seek to maximize the best course of action that will benefit their interest. With reference to terrorism, the theory states that terrorist actions are driven from a conscious, rational and calculated decision to embark on an optimum and strategic course of action with the view of achieving socio-political goals (Louise, S. & Hiikyaa, A.N.(2018). Hence, terrorists must allocate their available resources, which include money, ammunitions and human resources over time and space to maximize their net returns. The rational choice theory indicates that terrorists' activities undermine policy effectiveness and hinders the developmental progress of any nation. In Nigeria for instance, terrorist activities often distort fiscal policy actions, which undoubtedly increase government expenditures through supplementary budgetary spending. A major shortcoming of the rational choice theory is its failure to provide appropriate indices for measuring how a perceived action could serve as benefit or cost to the terrorists (Louise, S. & Hiikyaa, A.N.(2018).

### B) Deprivation Theory



The Relative deprivation theory of terrorism was introduced by (Gurr, 1970). The theory states that political violence and terrorism occur mainly because of a collective discontent caused by a sense of relative deprivation. This theory was formulated based on the Frustration-Aggression hypothesis that assumes that frustration breeds aggressive behavior. Economically, the theory attempts to explain the relationship between poverty and insecurity, showing that the emergence of conflicts especially in developing countries is caused by the prevalence of poverty. Studies like that of Oladayo, N. A. (2014) and Louise, S. & Hiikyaa, A.N. (2018) showed that frustration, lack of income, unemployment prompted the Northern youths in Nigeria to become foot soldiers of the Boko Haram movement and economic contraction in high-income countries has a significant effect on transnational terrorism.

### **C) Religious Fanaticism Theory**

The role of religion in shaping the lives of individuals and sanitizing the society cannot be overemphasized. This forms the basis of the Religious Fanaticism and Development theory (Louise, S. & Hiikyaa, A.N. (2018)). The authors stated that the negative effects of religion (fanaticism) on economic development and most especially loss of human capital has compelled most scholars around the world to provide arguments and counter arguments on the relevance of religion in the society. The theory states that terrorism emanating from religious fanaticism always want to change or implement a particular development policy with pre-determined set of ideological dictates (Özdamar, 2008). The nexus between religion and economic growth begins with Adam Smith's (1776) 'Inquiry into the Nature and Causes of the Wealth of Nations, who relates the laissez-faire philosophy to several

aspects of religion. According to Adam Smith, religious beliefs and activities are rational choices which make people respond to religious costs and benefits in a predictable and observable manner (Louise, S. & Hiikyaa, A.N. (2018)). Building on Smith's assertion, Wesley (1703–1791) hypothesizes that there is a two-way causation between religion and economic growth, but emphasizes more on hard work, self-reliance, and mutual aid.

The most important role of religious fanaticism is the supply of finance and human capital to terrorists' movements. Because terrorists groups are made of rich and well-educated men and women, they benefit from their potentials to the detriment of economic growth and development of any nation. According to Louise, S. & Hiikyaa, A.N. (2018), suicide bombers are well educated and not from the poorer levels of society as conjectured in the relative deprivation theory; thus, high levels of educational attainment are a signal of terrorists' commitment to the cause of violence. The authors established that 80 percent of insurgents in Sri Lanka had a reasonable level of education, and had both the motivation and the capacity to participate in what they viewed as a rational choice. They saw the uprising as the only solution to the economic and political difficulties facing Sri Lanka. They also observed that unemployment rose dramatically in the West Bank and Gaza Strip for college graduates relative to high school graduates in the 1980s.

Summarily, entrepreneurial development and business operations can be highly influenced by terrorism and vice versa. The rational choice theory showed that terrorism undermines policy effectiveness and constrains the development process of any nation. The shortcomings of religious fanaticism on entrepreneurial and business development is showcased on the loss of human capital as enshrined in the Religious Fanaticism theory. Economically, the relative deprivation theory



attempts to explain the relationship between poverty and insecurity through investment activities.

### **2.3 Empirical Literature Review**

OLakunle (2020) looked at the relationship between entrepreneurship and Nigerian business enterprises. He discovered a decrease in small and medium scale enterprises in Nigeria due to failures of series of government intervention policies targeted at stimulating entrepreneurship development in Nigeria. Instead of establishing import-substitution industries for sourcing of local raw materials, entrepreneurs rely on imported raw material, which make production very costly. This leads to low profit margin thereby discouraging entrepreneurship- spirit. He therefore recommends that government should enact new policy to protect infant industries in order to motivate entrepreneurship- spirit in Nigeria.

Theodore(2020), studied the effect of entrepreneurship development on job creation in Nigeria with special reference to Ohaozara local government area of Ebonyi state. Using survey design and a random sampling technique, the author randomly selected a sample of 400 from 1000 respondent for the study. Data was analyzed using chi-square. The author discovered that there is a positive correlation between job creation and entrepreneurship development in Nigeria. Entrepreneurship development always gives birth to job creation in the country. According to the author, entrepreneurship encourages vibrant youths to engage on meaningful business activities to sustain themselves and contribute to economic growth and development in Nigeria. The author recommended that government should channel more effort towards empowering more Nigerians to embark on entrepreneurship ventures in order to create more jobs and reduce unemployment

Uhuabana and Erah (2020) studied the role of entrepreneurship in economic development of Nigeria using survey method. Sample of 1500

SME's were randomly selected from cross section of population of SME's spread around the states of Nigeria.Using chi-square method of data analysis. The researcher discovered that SME's have contributed immensely to the growth and development of Nigeria. He recommended among other things that advocates of SME's should possess managerial ability and entrepreneurial education before sourcing for capital to establish and develop their businesses.

Louise, S. & Hiikyaa, A.N. (2018) stated that terrorists' activities rate is quite higher in the high income countries during periods of recession. Using panel regression analysis, these authors found that terrorism had a negative impact on economic growth. They concluded that the impact is less significant in advanced economies than developing countries. According to the authors, similar results were obtained by Sandler and Enders (2004), when they compared the impact of terrorism on developed and developing countries reason being that developed countries had vast economies and any terrorist activity may result in reallocating resources among various sectors of the economy, which is not the case with the developing countries.

Tahar, et.al (2018) studied the effect of terrorism on economic growth and the transmission mechanism of its effect. Using simultaneous equation models to panel data for a sample of eleven countries (six developing and five developed) over the period 2008–2015. The authors discovered that there is a positive relationship between terrorism and economic growth for both developed and developing countries for the whole sample and a negative relationship between terrorism and economic growth in developing countries for the total sample.

Louise, S. & Hiikyaa, A.N. (2018) citing Okarah (2014) in his study “causes and effect of insecurity in Nigeria” employing a chronological historical antecedent of insecurity in Nigeria, discovered



inequality and poverty as root causes of insecurity in Nigeria which is difficult for the Nigerian police force to curtail.

Shuaibu and Lawong (2016) using a dynamic modeling approach concluded that the impact of insecurity is relatively higher on the external sector and fiscal variables

Shabir, Naeem and Ihtsham (2015) used the Solow growth model to investigate the impact of terrorism on Pakistan's economic growth. Using secondary data from 1981 to 2012 and adopting co-integration technique. The authors discovered that terrorism had negatively effect on economic growth in Pakistan.

Choi (2015) looked on “whether economic growth exerts a dampening effect on terrorism” using cross-national, time-series data analysis of 127 countries for the period 1970–2007. The result showed that countries with high levels of industrial growth rate are less disposed to domestic and international terrorist events, but are more likely to experience suicide attacks.

Fatima et al (2014) studied the impact of terrorism activities on the economic growth of Pakistan and India using multiple regression analysis. The researchers discovered that India's economic growth was not affected by terrorists' activities contrary to the case of Pakistan.

Oladayo, N. A. (2014) studied the implications of the operations of the Boko Haram insurgency in the North East of Nigeria using descriptive statistics on secondary data from 2003 to 2009. The author discovered that the atrocities of Boko Haram had severe implications on the economy and social lives of the people in that State.

Gaibulloev and Sandler (2009) analyzed the impact of terrorism on per capita growth in Asia for the period 1970-2004. Their study discovered that terrorism negates significantly economic growth. The impact seems to be stronger in developing countries when compared to developed ones because

of the developed countries' resilience to terrorism due to their robust economies. Internal conflicts were found to be twice more effective in reducing growth than international conflicts.

#### **2.4 History of insecurity in Nigeria**

Violent crime has a root and history in Nigeria, and could be traced back to the period from 1960 to 1970. At independence in 1960, the British imposed a federal structure on Nigeria. Wheare (1963) conceptualizes federalism as a constitutional division of power between two levels of government, which are independent and coordinating in their respective spheres of influence. Unfortunately, the federal structure bequeathed to Nigeria at independence did not conform to Professor K.C. Wheare's tenets of federalism as a system of government. Where two levels of government exist, each is sovereign in its sphere of jurisdiction (Olabanji, O.E & Ese, U., 2014). The incursion of the military into governance, and the consequent imposition of military command structure in a federation set the tone for the distortion of Nigeria's federalism. Thus, the practice of federalism in Nigeria no doubt has been distorted by overwhelming dominance of the federal government that distributes national resources to lower level government at its own whims and caprices (Ewetan, 2011). Since independence, the demand for true federalism, fiscal and political restructuring by different ethnic nationalities in Nigeria has not abated. These agitations have contributed to violent rebellious reactions by aggrieved ethnic groups in the country, endangering the security, unity, and corporate existence of Nigeria as one country. Federalism that undermines the independence and autonomy of its federating units will only bring about conflict, threat to national cohesion and peace, and ultimate disintegration (Olabanji, O.E & Ese, U., 2014).

According to Ewetan and Urhie(2014),Insecurity challenges can also be traced to the early years of



military rule when large quantities of arms were imported into the country for the use of the military during and after the Nigerian civil war, some of which got into the hand of the civilians. Soon after the civil war, civilians and ex-military men used these arms for mischievous purposes such as armed robbery. There was also the army of unemployed youths some of whom lost their job during the civil war. The level of insecurity assumed dangerous dimensions in the prolonged years of military rule beginning from 1970 during which people procure arms and light weapons for personal defense. Some of these arms and light weapons got into the hands of unemployed youths who used them for deviant purposes. While some researchers attribute youth violence to peer group influence and other psychological factors associated with growing up, others emphasized the impact of political and economic factors such as ethnic agitation, political agitation, unemployment, Structural Adjustment Programme (SAP) as triggers of violent reaction among the youth.

**3.0 METHODS**

**3.1 Research Design**

The researcher adopted survey research design. This is because the questions structured in this study-required people’s opinion and judgments.

**3.2 Area of the study**

The study covered the entire towns in Orlu local government area of Imo State and its environs

**3.3 Population of the study**

The population of the study was 8000 entrepreneurs and businesspersons. These was made up of registered and unregistered entrepreneurs in Orlu local government area of Imo state

**3.4 Sample and sampling techniques**

The researcher adopted a random sampling technique for the study. This was done by computing the sample size of all the entrepreneurs both registered and unregistered in Orlu local government

area of Imo state out of population of 8000. The sample size for the study was computed using the formula;

$$(1) \quad n = \frac{N}{1 + Ne^2}$$

Where:

N = Population for the study = 8000

e = Acceptable error term usually 0.05

n = Sample size

therefore:

$$n = \frac{8000}{1 + 8000(0.05)^2} = 381$$

Hence,

Sample size (n) = 381

**3.5 Instrumentation**

The researcher used a well structures open- ended questionnaire to elicit information from the respondents.

**3.6 Validity of the instrument:** The research instrument passes through face and content validity and was modified by experts in research field.

**3.7 Reliability of the Instrument**

The instrument was subjected for reliability test using test re-test method with two hundred (250) respondents. The instrument was administered on the respondents for two weeks. The result generated from the respondent was used to calculate the reliability of the moment using product moment correlation coefficient. The coefficient of reliability calculated was 0.92.which means that the instrument was highly reliable.

**3.8 Method of data collection**

The researcher collected back the questionnaires by hand. Three hundred and seventy (381) questionnaires were administered to the respondents. The researcher collected back (380) copies. Therefore, the sample size for the study was (380).



### 3.9 Method of data analysis

The data collected was arranged on the tabular form. The researcher used four points: like- scales to assemble the data. The research question was analyzed using mean average. The researcher as a benchmark used an assumed mean of 3.0. The estimated mean is calculated using this formulae;

$$\bar{X} = \frac{\sum fx}{n}$$

### 3.10 Hypothesis Testing

**Table 1: Causes of insecurity in Nigeria**

S/N	QUESTIONNAIRE ITEMS	SA	A	D	SD	N	Σfx	Π	Remark
	<b>Categories of Entrepreneurs</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>				
1.	Loss of tradition value and moral system	186 744	165 495	20 40	9 9	380	1,288	3.39	Reject H <sub>0</sub>
2.	Unemployment/Poverty	168 672	170 510	29 58	13 13	380	1,253	3.29	Rejected H <sub>0</sub>
3.	Political motivated insecurity	198 792	160 480	12 24	10 10	380	1,306	3.4	Reject H <sub>0</sub>
4.	Porous borders & Arm Proliferation	187 748	170 510	10 20	13 13	380	1,291	3.39	Reject H <sub>0</sub>
5.	Bad governance/Policy	169 676	197 591	9 18	5 5	380	1,290	3.39	Reject H <sub>0</sub>
6.	Poor / weal security apparatus	174 696	195 585	9 18	2 2	380	1,301	3.42	Reject H <sub>0</sub>
7.	Ethnic /Religious imbalances	198 792	163 489	11 11	8 8	380	1,300	3.42	Reject H <sub>0</sub>

### Decision rule

Reject null hypothesis (H<sub>0</sub>) if estimated mean value is more than the assumed mean of 3.00, otherwise accept null hypothesis (H<sub>0</sub>) and draw conclusion.

### 4.0 RESULTS AND DISCUSSIONS

**4.1** This chapter presents and discussed the results of the study.

### Research Question 1

What are the causes of insecurity in Nigeria?



8.	Economic imbalance/Marginalization	176	180	13	11	380	1,281	3.37	Reject H <sub>0</sub>
		704	540	26	11				

The result in Table 1 simply showed that all the Questionnaire items (1-8) indicated above are the factors causing insecurity in Nigeria. Their mean ( $\pi$ ) values are 3.29, 3.29, 3.4, 3.39, 3.39, 3.42, 3.42, and 3.37 respectively, which are above the benchmark of 3.0. This simply means that bad governance, Economic /marginalization/ religious imbalances and many others are among the factors causing insecurity in Nigeria.

**Research Question 2**

- 1) What are the implications of insecurity on entrepreneurial development and small business operations in Nigeria?

**Table 2:** Implications of insecurity on entrepreneurial development and small business operations in Nigeria

S/ N	QUESTIONNAIRE ITEMS	SA	A	D	SD	N	$\Sigma fx$	- X	Remark
1.	persistent and consistent decrease in economic growth and development of Nigeria	196	135	22	29	380	1,262	3.32	Reject H <sub>0</sub>
		784	405	44	29				
2.	Insurgency, militancy and youth un-restiveness	180	156	16	28	380	1,248	3.28	Reject H <sub>0</sub>
		720	468	32	28				
3.	Businesses will fold up leading to Poverty and hunger	170	186	20	4	380	1,282	3.37	Reject H <sub>0</sub>
		680	558	40	4				
4.	People will engage in crimes, drug abuse, kidnapping, banditry and arm robbery due to unemployment	180	150	35	15	380	1,255	3.3	Reject H <sub>0</sub>
		720	450	70	15				
5.	Insecurity reflects poor image of a country to the international community	194	167	10	9	380	1,306	3.4	Reject H <sub>0</sub>
		776	501	20	9				
6	It will lead to brain drain and relocation of businesses to outside countries where business environment is safer.	187	168	15	10	380	1,292	3.4	
		748	504	30	10				

Table 2 showed that the implications of insecurity on entrepreneurial development and small businesses in Nigeria are numerous. They include relocation of businesses to safer countries, Brain drain, crimes, unemployment, youths un-restiveness, underdevelopment extra. The table also showed that the questionnaire items (1-6) have mean values, which exceed the benchmark of 3.0.

**Research Question 3**



What are the panaceas to insecurity challenges in Nigeria?

**Table 1: Panaceas to insecurity challenges in Nigeria**

S/N	QUESTIONNAIRE ITEMS	SA	A	D	SD	N	Σfx	Π	Remark
	<b>Categories of Entrepreneurs</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>				
1.	Restructuring the Nigeria State and constitutional review	189 756	155 465	16 32	20 20	380	1,273	3.35	Reject H <sub>0</sub>
2.	Development of security apparatus and establishment of community policing	198 792	167 501	10 20	5 5	380	1,318	3.46	Rejected H <sub>0</sub>
3.	Observing quality leadership and the rule of law	186 744	159 477	15 30	20 20	380	1,271	3.4	Reject H <sub>0</sub>
4.	Development of moral and technical education	192 768	163 489	13 26	12 12	380	1,295	3.41	Reject H <sub>0</sub>

The result in Table 3 indicated that all the Questionnaire items (1-4) above are all the panaceas for insecurity in Nigeria. Their mean ( $\pi$ ) values are 3.35, 3.46, 3.4, and 3.41 respectively, which are above the benchmark of 3.0. This simply means that there is need for restructuring the economy and constitutional review in Nigeria. In addition, there is need for quality leadership, rule of law, community policing, development of security apparatus, moral and technical education in Nigeria.

#### 4.2 EVALUATION OF HYPOTHESIS

##### Decision rule

Reject null hypothesis ( $H_0$ ) if the estimated mean value is more than the assumed mean of 3.00, otherwise accept null hypothesis ( $H_0$ ) and draw conclusion.

##### **HYPOTHESIS 1**

**H<sub>0</sub>1:** Bad governance, marginalization, ethnic/religious imbalances are not among the main factors that cause insecurity in Nigeria

**H<sub>1</sub>1:** Bad governance, marginalization, ethnic/religious imbalances are among the main factors that cause insecurity in Nigeria

Table 1 showed the causes of insecurity in Nigeria. Among them is bad governance/policy, Economic imbalance/marginalization, ethnic /religious imbalances. Each of these factors has a mean value above **3.0** that represent the benchmark for the study. Their mean values are **3.39**, **3.37** and **3.42** respectively. We therefore reject the null hypothesis and conclude that bad governance, marginalization, ethnic/religious imbalances are among the main factors that cause insecurity in Nigeria

##### **HYPOTHESIS 2**

**H<sub>0</sub>2:** There are no insecurity implications on entrepreneurial development and small business operations in Nigeria

**H<sub>1</sub>1:** There are insecurity implications on entrepreneurial development and small business operations in Nigeria

**Table 2** showed the implications of insecurity on entrepreneurial development and small business operations in Nigeria. They include winding up of businesses, which will lead to poverty and hunger, underdevelopment, crime because of unemployment, brain drain, relocation of businesses to safer country and poor image of a country to the international



community. All these factors exceed the benchmark value of **3.0** respectively. We therefore reject the null hypothesis and conclude that there are insecurity implications on entrepreneurial development and small business operations in Nigeria

### **HYPOTHESIS 3**

**H0<sub>3</sub>:** There are no Panaceas to insecurity challenges in Nigeria

**H1<sub>3</sub>:** There are Panaceas to insecurity challenges in Nigeria

**Table 3** showed the panaceas to insecurity problems in Nigeria. These include restructuring the Nigeria State and constitutional review, development of security apparatus and establishment of community policing, observing quality leadership and the rule of law and development of moral and technical education. Each of these factors has a mean value above **3.0** that represent the benchmark for the study. There mean values are **3.35, 3.46** and **3.4** and **3.41** respectively. We therefore reject the null hypothesis and conclude that there are Panaceas to insecurity challenges in Nigeria.

### **4.3 FINDINGS**

Result from the field survey revealed that the causes of insecurity in Nigeria are bad governance/policy, economic imbalance/marginalization, ethnic /religious imbalances, poor / weak security apparatus, porous borders & arms proliferation, unemployment/poverty, political motivated insecurity, loss of tradition value and moral system. In addition, the implications of insecurity on entrepreneurial development and small operations in Nigeria include winding up businesses, which may lead to poverty and hunger, underdevelopment, crime, unemployment, brain drain, relocation of businesses to safer country and poor image of a country to the international community. The study finally discovered that restructuring the Nigeria State and constitutional review, development of security apparatus and establishment of community policing,

observing quality leadership and the rule of law and development of moral and technical education are the panaceas for insecurity in Nigeria.

## **5.0 POLICY IMPLICATION, CONCLUSION AND RECOMMENDATIONS**

### **5.1 POLICY IMPLICATION OF THE STUDY**

The implications of insecurity on entrepreneurial development and small operations in Nigeria include underdevelopment, brain drain, winding up businesses, poverty, hunger and unemployment, which created an avenue for relocation of businesses to safer country and for youths to employ themselves in criminal activities like kidnapping, banditry, armed robbery that lead to insecurity. In addition, insecurity could lead to poor image of a country to the international community.

### **5.2 CONCLUSIONS AND RECOMMENDATIONS**

No business can thrive without adequate security. Business firms spend 100 percent more money today on the provision of security and logistics than they did 9 years ago. Entrepreneurs and small business owners in Nigeria are worried about the high cost of logistics and infrastructural expenditures like power, which took up 30 to 40 percent of the total budget expenditures. Nigeria is faced with chains of treats militating against smooth operations of businesses and entrepreneurship development ranging from bad governance/policy, economic imbalance/marginalization, ethnic /religious imbalances, poor / weak security apparatus, porous borders & arms proliferation, unemployment/poverty, political motivated insecurity and loss of tradition value and moral system. Insecurity in our country today constitutes threat to lives and properties, hinders business activities, and discourages local and foreign investors, all of which stifles and retards socio-economic growth and development of Nigeria. The implications of insecurity on business operations and



entrepreneurship development in Nigeria include underdevelopment, brain drain, winding up businesses, poverty, hunger and unemployment and crimes. The panaceas to these problems are;

❖ Nigeria government must be proactive in restructuring the Nigeria State and reviewing of 1999 constitution , development of security apparatus, establishment of community policing, observing quality leadership, the rule of law, development of moral and technical education. Others include; provision of infrastructures facilities and modern methods of intelligence gathering, intelligence sharing, training, logistics, motivation, and deploying advanced technology in managing security challenges.

❖ Awareness campaign should be increased to educate business owners and marketers on the best strategy to adopt in other to succeed in their respective businesses in this trying period. This will help them to make quick sales, facilitate more competition and reduce unemployment .

❖ Federal government and financial institutions should as a matter of urgency, increase their financial lending and financial assistance to business owners in order to encourage and facilitate entrepreneurial skills and social-economic growth and development in this period of depression.

❖ Business owners should adjust to the use of social media to increase the performance of their businesses and maintain social distancing to safe guide their health status in this period of SARS-COV-2 Pandemic.

### 5.3 Limitations of the study

The following are the limitation of the study.

1. The time given for the completion of this research was not enough as it was combined with an academic work, which makes it more cumbersome.
2. The unwillingness of the respondents to give out certain useful information is also a challenge to the researcher.
3. Lack of finance to finance the work was another impediment to the completion of the research.

### 5.4 SUGGESTIONS FOR FURTHER STUDY

The researcher suggested that more research work should be conducted in these areas:

1. Surviving strategies of business firms and insecurity in Nigeria
2. Effect of insecurity on Nigerian Schools
3. Insecurity and students unrest and : Nigeria experience

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