

A Survey of the Impact of Endsars Protest on Small and Medium Enterprises (SMEs) In Oyo State, Nigeria

OGUNLADE Olabamiji

*Department of Accountancy
The Polytechnic Ibadan, Ibadan Oyo state, Nigeria*

OSANI Micheal (PhD)

*Department of Accountancy
The Polytechnic Ibadan, Ibadan Oyo state, Nigeria*

&

TIAMIYU Abosede Mariam

*Department of Accountancy
The Polytechnic Ibadan, Ibadan Oyo state, Nigeria*

Abstract

The ENDSARS protest which was aimed at ending police brutality ended up having effect in all sphere of life including the small and medium enterprises sector in Nigeria. Based on this foregoing, the study investigates the impact of ENDSARS protest on small and medium enterprises in Oyo state, Nigeria. A descriptive design was used and one hundred and eighty-nine (189) SMEs were selected using a convenient sampling technique. Data were analysed with the aid of a descriptive statistics. The study found that ENDSARS protest had a very high impact on small scale and medium business. The study also found that grants and credit facilities is the most important mechanism that will help improve the growth of Small and Medium-Scale Enterprise (SMEs) in the post-ENDSARS era. Subsequently, it was recommended that the government in conjunction with policy makers should give SMEs owners in Nigeria unconditional grant and credit facilities

Keywords: ENDSARS, protest, SMEs, Nigeria

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I. Introduction

The role of small and medium-scale enterprise (SMEs) in the national economy cannot be underestimated. This is because SMEs are vital to the growth and development of any nation (Tehseen & Ramayah, 2015; Aderemi, Adenirana, Amusa, & Ebere, 2020). Previous research studies have also established the contribution of small businesses to the development of emerging and emerged economies (Ayanda & Laraba, 2011; Okpara, 2011). The small and medium scale enterprises sub sector of the economy holds the key to the nation's quest for economic growth and development. Today, regardless of the level of growth and development the world over, countries continue to embark on viable policies and programs that would create and pave way for the sustainable development of their economies through SMEs development. In Nigeria small businesses inundate the business sector of the Nigerian economy, provide a huge percentage of jobs, and contribute to poverty alleviation (Shehu, Aminu, NikMat, Nasiru, Johnson, Tsagem & Kura 2013). In the word of Afolabi (2018) he submitted that SMEs have over the year serves as an avenue for the less vulnerable people to acquire important skill and to increase productivity especially in the private sector extension thereby providing more earning prospects for many of the people that are poor and at the same time improving the income earning of the country. Equally, Ilegbinosa and Jumbo (2019) also found that SMEs takes more than 80percent of businesses that occupy about 75percent of the work force in Nigeria. Despite the important of SMEs to the economy development of Nigeria, the sector was affected during the ENDSARS protest in Nigeria.

The EndSARS movement which begins way back from year 2017, when Nigerian youths used the hashtag to share their experiences on violence and assault perpetrated by the Special Anti-Robbery Squad (SARS). However, the movement only revived in early October, 2020, after a video emerged of police officers thought to be members of the SARS unit, allegedly killing an unarmed young man (Ukpe, 2020). This prompted Nigerian youth to troop to Twitter, calling on the Federal Government for police reform with the hashtag, #EndSARS, #Endpolicebrutality, and many more. The hashtag trended continuously on Twitter as Nigerian youths aired their pain and experiences online. As the video spread on Social media, the hashtag #ENDSARS

started to garner momentum as more young people demanded an end to the brutal police unit that has for years brutalized young Nigerians. On the 4th of October, 2020, the Nigerian Police Force, through the Inspector General of Police, announced the ban of SARS members and other Tactical Squads from carrying out routine patrols and other conventional low-risk duties, such as stop and search, checkpoints, and mounting of roadblocks with immediate effect. The disbanded SARS was immediately replaced with Special Weapons and Tactics Team (SWAT). This development did not go well with the protesting youths and this made them to create more new demands including ones bothering on end bad governance, end corruption, and end huge pay for legislators trended on social media and protest grounds across the country. The start of a fresh 14-day protests that eventually turned violent on the 21st October at the Lekki tollgate where Nigerian Army killed many innocent youths and injured many other was later hijacked by hoodlums which resulted to the destruction, vandalizing and looting of public and private properties and Small and Medium Enterprises in the country.

The negative impact of the ENDSARS manifests seriously on the economic and business activities in Nigeria. This is because SMEs are still battling the effect of the COVID-19 as a result of the lockdown and shutdown of business transactions in the country. The ENDSARS protest added more damaging effect to this sector, as many small scale owners lost their resources through looting and vandalism of business shops, and resources in the hand of miscreants who hijack the ENDSARS protest. To even make matter worst, Anudu and Okojie (2020) forecasted that roughly 80% of SMEs in Nigeria will crumble by December 2020 if adequate palliative measures are not provided. This has made call for an alternative way of providing supportive response for survival of small and medium enterprises (SMEs) after another terrible event such as the ENDSARS protest. Many studies have being carried on SMEs in Nigeria (Chodokufa & Chiliya, 2014; Adeyele, & Osemene, 2018; Unachukwu, Oyewole, & Ojo, 2020). Nonetheless, there is a gap in the existing literature on the impact of ENDSARS on small and medium enterprises (SMEs) in Nigeria. The present study is guided by the following research questions:

1. To what extent have the ENDSARS protest impacted small and medium-scale Enterprise (SMEs) in Nigeria?
2. What mechanism can be put in place to improve small and medium-scale Enterprise (SMEs) in the post-ENDSARS era?

II. Literature Review

Small and Medium-Scale Enterprise (SMEs)

There have being no uniform definition of Small and Medium-Scale Enterprise (SMEs) among scholars, hence different conceptualisation have being given to Small and medium enterprises (SMEs), for instance Juliana (2013) define SMEs as that business that employer no less than 50 people and has a basic capital value of less than N500,000. Another definition of a small business given by the Central Bank of Nigeria (CBN) as a business enterprise whose total cost, excluding cost of land but including working capital, is above N1.0 million but does not exceed N10.0 million. According to the Nigerian Industrial Development Bank (NIDB) defined small-scale enterprises as companies with less than N750,000.00 in project cost (Juliana, 2013). In the word of Fatai (2011) and Chile (2016) they agree that SMEs are businesses meant for provision of goods and services in the aspect of manufacturing, agriculture, shoe making, computer skill, tailoring and other service sectors. The Third Nigerian National Development plan defined a small scale business as an establishment who have not more than 10 people or establishment that does not have equipment worth more than 600,000 thousand. The credit guideline of 1978 of the Central Bank of Nigeria categorise small scale business as business that his or her yearly income does not exceed 500,000. Also, according the World Bank small and medium business are enterprises that it total fixed asset and investment cost does not go far N10 million considering the 1996 price index.

Some authors have also based the definition of SMEs into theoretical and operational definitions. Henschel (2009) affirm that theoretical definitions of SMEs looked at the qualitative criteria such as autonomy, personal comprehensibility as well as the financial and personal engagement of at least the owner while the operational definitions of SMEs consider the quantitative criteria like annual turnover, number of employees and capital outlay. Henschel (2009) affirm that SME in the United Kingdom is a company that employs less than 250 workers, while in the United States of America the figure is less than 500 employees. In South Africa, small businesses are categorized into four, namely; micro enterprises, very small enterprises, small enterprises and medium enterprise (Smith and Watkins, 2012). Despite variance in definition, SMEs have similar features. First is that they are generally sole proprietorship in nature and in some cases partnership though they could be registered as limited liability companies. Secondly, they are prone to discontinuity or have high rate of business mortality probably due to reasons of low capital, inadequate market information, lack of appropriate technology, close relationship between proprietor's private fund and company's fund (Ogunleye, 2004). Thirdly, SME operates labour-intensive technology that requires more human capital per unit of production. And lastly, they suffer from inadequate collateral securities that hinder them from attracting financial capital or loan facilities for expansion.

ENDSARS Protest

EndSARS protest movement started as a public outcry for the disbandment of Nigeria's Special Anti-Robbery Squad (SARS), a unit of the Nigerian Police Force that has earned popularity for its brutality and human rights violations. It was first used in 2018 to raise awareness of allegations of violence and exploitation by SARS officials. The government announced structural changes to SARS but the alleged human rights violations and exploitation continued. In October 2020, reports of an unprovoked shooting of a boy in the streets of Delta State by SARS operatives were shared on social media. Although the Nigerian Police denied the shooting in this particular case, it was not enough to quell public anger as more videos of police shootings were shared across social media platforms. Youths rallied for support on Twitter, Instagram, and Facebook and, in a matter of days, protesters lined the streets of Lagos and Abuja and other part of Nigeria demanding an end to SARS. Pressured by the publicity that the protests had generated, the Nigerian government swiftly announced the disbandment of SARS. This move, however, was not enough to appease the protesters in light of similar pronouncements made previously by the government. For instance, in December 2017, the Inspector General of Police (IGP) announced that SARS had been banned from conducting stop and search operations following several reports of harassment. This ban was publicly re-announced by the IGP in 2018 and 2020, reflecting the ineffectiveness of previous orders. Similarly, in 2018, Nigeria's acting president announced an overhaul of SARS, stating that the National Human Rights Commission would investigate cases of abuse. This statement was followed shortly by the announcement of a centralised FSARS (Federal Special Anti-Robbery Squad) which would come under the supervision of the Inspector General of Police as opposed to the previous version which was under state Commissioners of Police. Mere weeks later, the IGP announced the disbandment of FSARS, stating that the unit would go back to being decentralised and under the command of state commissioners (Olatunji 2020).

In light of past practices and disappointments, protestors added to their list of demands, calling for compensation of victims of SARS brutality, retraining of police officers, and trials of indicted SARS officials. The #EndSARS protests have elicited global sympathy and support, with world leaders such as United Nations Secretary-General António Guterres and United States Secretary of State Mike Pompeo tweeting in support. Other political figures and celebrities have also used the hashtag or referenced the movement to either support the protests or demand an end to the government crackdown on protestors. These include former United States Secretary of State Hillary Clinton, U.S. president-elect Joe Biden, boxing heavyweight champion Anthony Joshua, Arsenal footballer Mesut Ozil, and American rapper Kanye West. For several days in October, the hashtag #EndSARS was the number one trending topic on global Twitter with Twitter CEO Jack Dorsey launching a special Emoji for the movement (Magdalene 2020).

III. Methodology

Research Design

The research adopted the descriptive survey design. The reason why descriptive survey research design was used is because data was collected using a structured questionnaire which does not involve any manipulation of variables in the study.

Setting and sampling technique

The study was conducted in Ibadan, capital of Oyo state in two local governments' areas namely Ibadan North East and Ibadan North local government. The choice of the state was premise on the fact that there is large number of SMEs that were affected during the ENDSARS protest in this aforementioned state. The study used a convenient sampling technique to select the respondents used for the study.

Instruments

A structured questionnaire was used for data collection. Section A of the questionnaire consists of respondent demographic characteristics such as age, gender, marital status, religion affiliation and length of business. Section B of the questionnaire consist of items that measure impact of ENDSARS protest on small and medium scale enterprises while section C captured mechanism that can improve SMEs after the ENDSARS protest. The scale was scored on a four point likert scale of 1- very high to 4 – very low. The instrument was validated by experts in the Department of Accounting and other adjunct department for criticism and corrections. Their input was annexed into the new copy before administration. In the main study a reliability coefficient of 0.72 was gotten for items measuring impact of ENDSARS protest on small and medium scale enterprises while 0.86 was gotten for items measuring mechanism that can improve SMEs after the ENDSARS protest.

Procedure and data analysis

Permission to conduct the study was sought and gotten from the two local government areas used in the study. After then the researcher with one research assistance who was trained on data administration and collection proceeded to the settings. The researchers inform the intending respondents one on one on the rationale and the important of the study in their various domains. Respondents were also assured of their confidentiality as well as privacy during their participation in the study. The distribution of questionnaire was done from Monday to Friday across the two setting. In all a total number of two hundred questionnaires (200) were administered across the two local governments’ area but only one hundred and eighty-nine (189) were retrieved leaving about eleven (11) questionnaires that were not returned. The filled questionnaires were subjected to appropriate descriptive analysis using the package of the statistical programme for social science version (SPSS) 24.

IV. Results

Table 1: Demographics characteristics of the respondents (N = 189)

s/n	Variable	Labels	Frequency	Percentage
1	Gender	Male	121	71.6
		Female	68	28.4
2	Age	25-35years	34	26.4
		36-45years	92	38.2
		46-55years	39	26.1
		56years and above	24	9.3
3	Religion affiliation	Christianity	105	58.1
		Islam	76	39.8
		Traditional	8	2.1
4	Marital status	Single	68	39.1
		Married	108	57.3
		Separated	8	2.1
		Divorced	5	1.5
5.	Length of Business	1-5years	58	25.1
		6-10years	95	58.4
		11-15years	21	11.3
		15 year and above	15	5.2

Source: Authors’ Computation, 2021

Table 1 showed the socio demographic characteristics of the respondents in the study. In terms of the gender, 121(71.6%) were males, while 68(28.4%) were female. In terms of age of the respondents, 34(26.4%) are between the ages of 25-35years, 92(38.2%) were between the ages of 36-45years, 39(26.1%) were between the ages of 45-55years while 24(9.3%) were 56years and above. In terms of marital status, 68(39.1%) are single, majority 108(57.3%) are married, 8(2.1%) are separated while 5(1.5%) were divorced. In terms of length of business, 58(25.1%) have used between 1-5years 95(58.4%) have being doing business between 6-10years, 21(11.3%) have being doing business between 11-15years while 15(5.2%) have being doing business above 15years.

Table 2: Respondents Impact of ENDSARS protest on Small and Medium-Scale Enterprise (SMEs)

Statement	Frequency	Percentage
Very high	128	65.7
High	46	23.3
Low	10	8.7
Very Low	5	2.3
Total	189	100.0
Mean	47.3	
Standard Deviation	8.76	

Source: Authors’ Computation, 2021

Table 2 depicts that 128(65.7%) of the respondents confirm that the level of ENDSARS on small and medium-scale enterprise is very high; 46(23.3%) of the respondents confirm that the level of ENDSARS on small and medium-scale enterprise is high; 10(8.7%) confirm that the level of ENDSARS on small and medium-scale enterprise is low while 5(2.3%) confirm that the level of ENDSARS on small and medium-scale enterprise is very low. The mean level of impact of ENDSARS on SMEs score of the respondents was 47.3 and the standard deviation was 8.76. From this, it is clear that majority of the respondents agreed that ENDSARS protest had a very high impact on small scale and medium business.

Table 3: Respondent view on mechanism to improve Small and Medium-Scale Enterprise (SMEs) in the post-ENDSARS era

Statement	Frequency	Percentage
Grants and credit facilities	91	43.1
Decrease in custom and tariffs	45	29.3
Infrastructural Support	32	18.5
Loan on zero-interest rates	16	7.0
Relaxation of loan payment	5	2.1

Source: Authors' Computation, 2021

Table 3 depicts that 91(43.1%) of the respondents affirm that grants and credit facilities will improve the growth of SMEs in the post-ENDSARS; 45(29.3%) confirmed that decrease in custom and tariffs will help improve the growth of SMEs; 32(18.5%) affirm that infrastructural support will help improve the growth of SMEs; 16(7.0%) affirm that loan on zero-interest rates will help improve SMEs in the post-ENDSARS while 5(2.1%) affirm that relaxation of loan payment will help improve the growth of SMEs in the post-ENDSARS. It can be deduced that majority of the respondents agreed that grants and credit facilities is the most important mechanism that will help improve the growth of Small and Medium-Scale Enterprise (SMEs) in the post-ENDSARS era

V. Discussion

The study examines the role of impact of ENDSARS protest on small and medium enterprises (SMEs) in Oyo state, Nigeria. Based on the research questions postulated, the study found that ENDSARS protest has a very high impact on small and medium scale business. This study finding was partially supported by findings of Dai et.al (2020) who found that COVID-19 pandemic has a significant effect on SMEs productivity. The study finding was also partially supported by Aderemi, Ojo, Ifeanyi and Efunbajo (2020) who found that Corona Virus (COVID-19) Pandemic have moderate effect on Small and Medium Scale Enterprises (SMEs).

The study also found that majority of the respondents agreed that grants and credit facilities would help improve the growth of SMEs in the post-ENDSARS era. The study findings was in line with Aladejebi (2020) who found that lower interest rates, relax loan, and tax repayments are some of the policies that can help SMEs in Nigeria growth after the COVID-19. The study finding was also in line with Okere, Njoku, and Nwosu (2020) also found that electricity generation, sustainable water supply, and grants would help SMEs growth in Nigeria.

VI. Conclusion and Recommendations

Based on the findings of the study, the study concluded that the ENDSARS protest had a high impact on the small and medium enterprises in Ibadan, Nigeria. Also, the study concluded that grant and credit facilities is one of the most significant mechanism that respondents agreed that can help improve Small and medium enterprises in Nigeria. Based on these conclusions, the study recommended that government in conjunction with policy makers should give SMEs owners in Nigeria unconditional grant and credit facilities which is aimed at helping many SMEs who are on the brim of collapse to help them come back to life during the post ENDSARS protest. Finally, scholars in the field of management should organise seminar and workshop for SMEs owner on risk management during a pandemic or protest like the ENDSARS or the COVID-19 pandemic.

Limitation and suggestion for further studies

The study used only one state in Nigeria, hence generalisation of the study findings to other states in Nigeria and outside Nigeria could be challenging. The study also makes use of quantitative data which could have bias the result findings of the present study. It is therefore recommended that future study should consider more states in Nigeria for better result generalisation. Finally, qualitative study in form of interview, focus group discussion could also be done by future study in order to bring out a more robust result finding.

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