

STATISTICAL ANALYSIS OF THE IMPACT OF THE ENDSARS PROTEST ON SMALL AND MEDIUM-SCALE ENTERPRISES IN SELECTED LGAS IN LAGOS STATE

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Manuscript received on the 30/09/22 and accepted 24 /10/22

ABSTRACT

This study investigated the impact of the EndSARS protest in Nigeria in the aftermath of the Covid-19 pandemic on the operations of Small and Medium-Scale enterprises in Lagos State. It determined the association between the impact of the EndSARS protests and the age of SMEs in Lagos State, the impact and the effect of the EndSARS protests on SMEs, their challenges and proffered solutions to the challenges identified. A total of 310 SME operators were selected purposively from the Yaba and Shomolu Areas of the State. Data was collected using a structured self-designed questionnaire with Cronbach Alpha's reliability coefficient ranging from 0.74 – 0.94 and was administered to the SME operators. The data collected were cleansed and analysed using frequency distributions and the Chi-Square test with the aid of SPSS 26.0. The results show that the impact of the protest on SMEs was high in form of loss of sales (88.4%), disruption of business (87.1%), loss of customers (89.7%), loss of goods (81.9%), cancellation of business appointments (86.1%), broken business promises (91.0%) and loss of business (91.0%). The protest also resulted in reduced demand and supply, high transportation fares, looting of goods, property vandalism, disruption of businesses and destruction of goods and properties. The study found a significant association between the impact of the EndSARS protest and the age of the business ($p < 0.05$). The study, therefore, concluded that the EndSARS protest had a significantly high impact on small and medium-scale enterprises in the Yaba and Shomolu areas of Lagos State.

Keywords: Chi-Square, EndSARS, Impact, Protests, SMEs

INTRODUCTION

The EndSARS campaign movement took Nigerians by a storm when in early October 2020, a video of police officers believed to be members of the Special Anti-Robbery Squad (SARS) reportedly killing an unarmed young man surfaced on the social media. This prompted Nigerian youths to troop to Twitter, calling on the Federal Government for police reform with the hashtag, #EndSARS, #Endpolicebrutality, #Soro soke, etc. The hashtag trended unceasingly on social media (Twitter) as youths in Nigeria ventilated their agony and experiences online. On October 7th 2020, Lagos youths embarked on a 3-days protest to call for the disbandment of the Nigeria Police Force's Special Anti-Robbery Squad

(SARS), as part of a drive for changes to the police system to cease the agency's extrajudicial practices (Abati, 2021; Al-Jazeera, 2020). Youths were spotted marching to the Force Headquarters in Ikeja, holding signs that read, among other things, "Protect, not exploit," and "Nigeria police stop killing us" (Akinwotu, 2020; Oyeleke, 2020). This was the start of a 14-day protest that eventually turned violent and resulted in the destruction, damage, and looting of public and private properties and Small and Medium Enterprises in the country. A protest is practically a demonstration by the public to portray their expression of objection or disapproval towards an idea or action in a polity. This demonstration can take different forms but

the apex of it is taking to the street by the populace to publicly express their grievances to the government.

Small and Medium Enterprises (SMEs) are non-affiliated, self-contained businesses with less than 500 employees (OECD, 2005). SMEs, according to the European Union (EU), are micro, small, and medium-sized businesses that employ fewer than 250 people and have annual revenues of less than 50 million euros (Liberto, 2022; Verma, 2021; OECD, 2005). In Nigeria, the Central Bank of Nigeria in its monetary policies circular No. 22 of 1988 defined SMEs as enterprises that have an annual turnover not exceeding Five Hundred Thousand Naira (N500, 000) (Achilike & Akuwudike, 2019); Mekwunye, 2018). The National Policy on Micro, Small, and Medium Enterprises (MSMEs) has made a clear distinction between enterprises based on employment and assets for the benefit of clarity. SMEs are businesses that can be classified based on their capital, project scope and cost, annual turnover, financial strength, and employee count, among other factors. To do business in Nigeria, such organisations must and can be registered under any component of the Companies and Allied Matters Act (CAMA).

On Tuesday, 20th October 2020, the Lagos State Government announced the imposition of a 24-hour curfew in all parts of the state to curtail the destruction of properties that trailed the EndSARS protest in the state which resulted into SMEs being vandalised and looted during by hoodlums who took over the protests. This has led to the loss of valuable resources and properties belonging to the victims of the looted shops. The blocking of roads by protesters and curfew declared by the state government of Lagos resulted in the restriction of movement and has contributed to the reduction in the level of demand and supply in businesses and high transportation fares. The effect of the Endsars protest was felt across states in Nigeria in all sectors of the economy. With the news that SARS was disbanded, Nigerians took the news with a grain of salt and carried on with their urgent demands for total disengagement of the unit and

wide-ranging reform of the force. The effect of the EndSARS protest on the Nigerian economy reverberated.

For this cause, this study investigated the effect of the EndSARS protest on Small and Medium Enterprises (SMEs) in selected LGAs in Lagos State. The aim of the study was to examine the impact of the EndSARS protest in Nigeria on the SMEs economy in Lagos State. The specific objectives include to ascertain the effect of the EndSARS protests on SMEs in the LGAs in Lagos State, determined the level of impact of the EndSARS protests on SMEs in the LGAs in Lagos State, measure the association between the level of impact of the EndSARS protests on the SMEs operations and the age of SMEs in Lagos State, identify the challenges of SMEs in Lagos State and proffer solutions to the challenges of SMEs in Lagos State. identified.

METHODOLOGY

In this section, we adopt a cross-sectional survey of Small and Medium-scale Enterprises operators from across Shomolu and Yaba in Mainland Local Government Areas of Lagos, Nigeria. Purposive sampling technique was used in selecting the respondents for the study as it was specifically targeted at only SMEs operators. The sample size of the participants is 310 in the data collection, a self – designed questionnaire was administered by the researcher and the appointed assistants. The instrument was tested for reliability and a Cronbach's Alpha reliability coefficient of 0.93 was obtained signifying that the instruments for data collection was indeed consistent and reliable. The methods of analysis include: frequency distributions and Chi square analysis for testing the assumptions (hypothesis) of the study with the help of Statistical Package for Social Science software (Version 26).

The Chi square test statistic is given as:

$$\chi^2 = \sum_i^n \frac{(O_i - E_i)^2}{E_i}$$

where, O_i is the observed frequency for cell i and E_i is the expected frequency for cell i

This follows a χ^2 distribution with $(r - 1)(c - 1)$ degrees of freedom. The study observed some ethical considerations in the selection and inclusion of the SMEs operators as participants of the study.

RESULTS

The results of the study obtained using frequency distribution and Chi Square Test with the aid of SPSS 26 are presented in tables, charts and discussed as appropriate.

Descriptive Statistics

Table 1: Demographic characteristics of SMEs operators

Demographic characteristics		Frequency	Percent
Gender	Male	142	45.8
	Female	168	54.2
	Total	310	100.0
Ages (years)	20 – 25	123	39.7
	26 – 30	86	27.7
	31 – 35	60	19.4
	36 – 40	32	10.3
	41 – 45	6	1.9
	46 – 50	3	1.0
	Total	310	100.0
Marital status	Single	171	55.2
	Married	130	41.9
	Divorce	9	2.9
	Total	310	100.0
Ethnicity	Yoruba	193	62.3
	Igbo	103	33.2
	Hausa	14	4.5
	Total	310	100.0
Number of years n operation	0 – 5	202	65.2
	6 – 10	103	33.2
	11 – 15	5	1.6
	Total	310	100.0
Educational level	None	31	10.0
	Primary	61	19.7
	Secondary	70	22.6
	Tertiary	148	47.7
	Total	310	100.0

Table 1 shows that 45.8% of the SME operators are men while 54.2% are women which imply that more women operate SMEs in this environment. Also, 86.8% of the operators are within 20 -25 years, 55.2% of the SMEs operators are single while 41.9% are married which implies that more single-operated SMEs in the environment, 62.3% are Yorubas, 33.2% are Igbos, 2.9% are Hausas of SMEs operators which implies that more Yoruba's operated SMEs in the environment, 65.2% of operators ranges from 0 – 5,33.2% ranges from 6 -10, 1.6%

ranges from 11 – 15 numbers of years operated which implies that 0 – 5 of years are mostly operated in the environment, 10.0% are none educational, 19.7% are primary educational level,22.6 are secondary educational level, 47.7% are tertiary educational level.

The types of businesses operated by the SMEs in Shomolu and Yaba Areas of Lagos state shows that 13.5% were traders, 11.6% were tailors and fashion designers, 9.0% deal on foodstuffs, 9.0% were hairdressers, 7.1% deal on phone gadget & accessories, 6.5% were canteens operators,

5.8% were barbers, 5.8 were POS operators, 5.5% operated business centres, 5.2% were networkers, 4.8% deal on cloth materials, 4.2% were shoemakers, 3.2%

deal on making ups, 3.2% were online business operators and 5.5% deal on other business (see fig. 1 below).

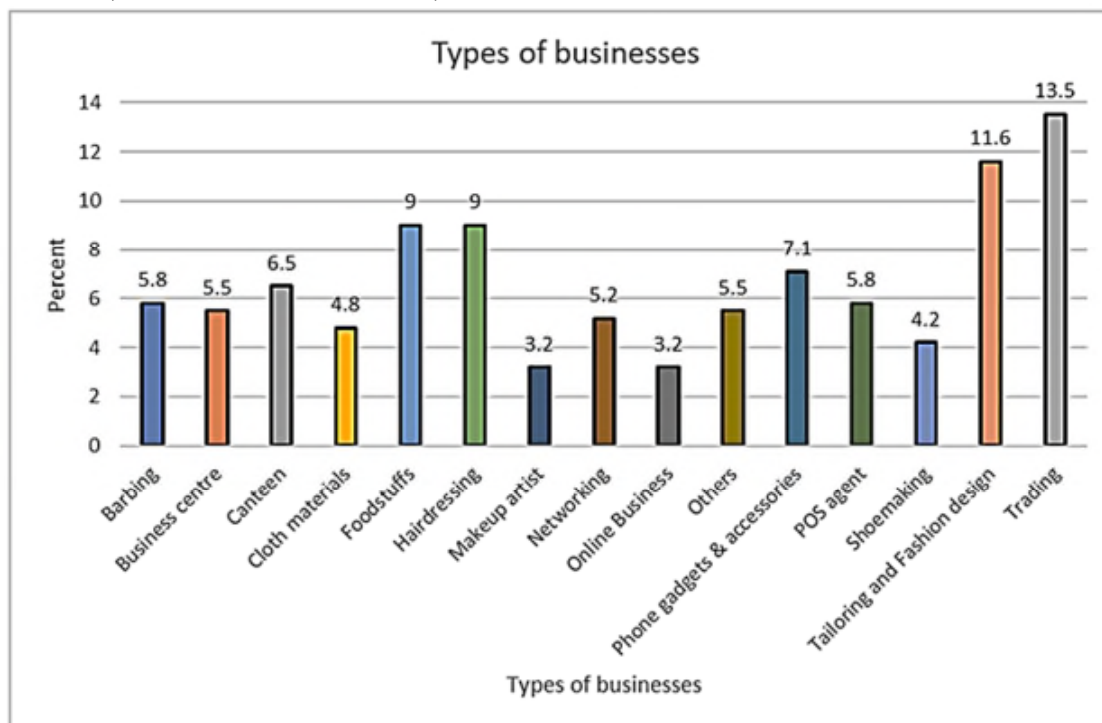


Fig. 1: Distribution of SMEs operators by types of businesses

Table 2: Extent of Impact of EndSARS on SMEs

S/N	Impact of EndSARS on SMEs	NI (%)	VLI (%)	LI (%)	MI (%)	HI (%)	VHI (%)
1.	Lead to loss of sales	15 (4.9)	10 (3.2)	11 (3.5)	43 (13.9)	178 (57.4)	53 (17.1)
2.	Disruption of business	10 (3.2)	15 (4.8)	15 (4.8)	148 (47.7)	101 (32.6)	21 (6.8)
3.	Loss of customers	9 (2.9)	6 (1.9)	17 (5.5)	38 (12.3)	193 (62.3)	47 (15.2)
4.	Loss of customers can lead to great loss	10 (3.2)	5 (1.6)	13 (4.2)	41 (13.2)	193 (62.3)	48 (15.5)
5.	Cancellation of Appointment	13 (4.2)	7 (2.3)	22 (7.1)	130 (41.9)	88 (28.4)	49 (15.8)
6.	Great loss of goods	12 (3.9)	13 (4.2)	31 (10.0)	105 (33.9)	116 (37.4)	33 (10.6)
7.	Inability to fulfill business promises	11 (3.5)	7 (2.3)	10 (3.2)	57 (18.4)	165 (53.2)	60 (19.4)

NB: NI – No impact; VLI – very low impact; LI – low impact; MI – moderate impact; HI – high impact and VHI – very high impact.

Table 2: shows that 88.4% of the operators noted that the EndSARS protest moderately to very highly led to the loss of sales, 87.1% led to disruption of business, 89.8% led to the loss of customers, 91.0 led to the great

loss of customers, 86.1 led to the cancellation of appointment, 81.9% led to the great loss of goods, 91.0% led to the inability to fulfill business promises

Table 3: Effects of EndSARS on SMEs

Table 3: Shows that 89.3% of the operators agreed or strongly agreed that the EndSARS protest

S/N	Effects of EndSARS on SMEs	SD (%)	D (%)	A (%)	SA (%)
1.	Reducing demand and supply affected SMEs	14 (4.5)	19 (6.)	130 (41.9)	147 (47.4)
2.	High transportation fares affected the sales of business	6 (1.9)	23 (7.4)	165 (53.2)	116 (37.4)
3.	Looting of goods affected SME	11 (3.5)	25 (8.1)	210 (67.7)	64 (20.6)
4.	Vandalised properties affected the business of the operators	22 (7.1)	127 (41.0)	123 (39.7)	38 (12.3)
5.	Disruption of business affected the operators	7 (2.3)	28 (9.0)	244 (78.7)	31 (10.0)
6.	Destruction of goods and services affected the operators	9 (2.9)	17 (5.5)	243 (78.4)	41 (13.2)

resulted in a reduction in demand and supply of goods and services affecting SMEs, 90.6% resulted in high transportation fares, 88.3% resulted in the

looting of goods, 52.0% resulted to vandalized properties, 88.7% resulted to disruption of business, 91.6% resulted to the destruction of goods and services affecting the operators.

Table 4: Challenges of SMEs

S/N	Challenges of SMEs	SD (%)	D (%)	A (%)	SA (%)
1.	Government regulation affected the operators	13 (4.2)	36 (11.6)	182 (58.7)	79 (25.5)
2.	Raising Funds for Working Capital brought	5 (1.6)	21 (6.8)	213 (68.7)	71 (22.9)
3.	Unlimited raw materials caused a huge challenge for operators	17 (5.5)	51 (16.5)	198 (63.9)	44 (14.2)
4.	Poor Educational background was a challenge for the operator	70 (22.6)	77 (24.8)	95 (30.6)	68 (21.9)
5.	EndSARS caused a challenge for the conducive business environment	5 (1.6)	49 (15.8)	222 (71.6)	34 (11.0)
6.	EndSARS caused a challenge for management issues for the operator	8 (2.6)	24 (7.7)	237 (76.5)	41 (13.2)
7.	Stiff competition	10 (3.2)	14 (4.5)	237 (76.5)	49 (15.8)

Table 4: Shows that 84.2% of the operators agreed or strongly agreed that the EndSARS protest resulted in government regulations affecting the operators, 91.6% resulted in raising funds for working capital affecting the operators, 78.1% resulted in unlimited raw materials, 52.5% resulted to

poor educational background, 82.6% resulting to challenges for the conducive business environment, 88.7% resulting to challenges for management issues, 92.3% resulting to stiff competition challenging the operators on SMEs.

Table 5: Ways of Improving SMEs

S/N	Ways of Improving SMEs	SD (%)	D (%)	A (%)	SA (%)
1.	Loan to operators on zero interest rate	18 (5.8)	19 (6.1)	137 (44.2)	136 (43.9)
2.	Conducive business environment	6 (1.9)	16 (5.2)	168 (54.2)	120 (38.7)
3.	Availability of raw materials for production	6 (1.9)	16 (5.2)	144 (46.5)	144 (46.5)
4.	Training of operators in the business	5 (1.6)	17 (5.5)	124 (40.0)	164 (52.9)
5.	Business plan for the operator on their business	11 (3.5)	11 (3.5)	199 (64.2)	89 (28.7)
6.	Low tax payment for operators	7 (2.3)	18 (5.8)	215 (69.4)	70 (22.6)
7.	Reducing stiff competition	4 (1.3)	14 (4.5)	226 (72.9)	65 (21.0)

Table 5 shows that 88.1% of the operators agreed or strongly agreed that SMEs can be improved by advancing zero-interest rate loans to operators, 92.9% agreed or strongly agreed that making the business environment conducive, 93.0 agreed or strongly agreed that making available raw materials for production, 92.9% agreed or

strongly agreed providing training for operators, 92.9% agreed or strongly agreed that preparing business plan for operators on their business, 92.0 agreed or strongly agreed that allowing low tax payment for operators, and 93.9% agreed or strongly agreed that reducing stiff competition will help the SMEs improve.

Table 6: Measures of association between the impact of EndSARS Protests on SMEs and the age of businesses

Level of impact of EndSARS on SMEs		Age of business			χ^2 (p)
		0 – 5 years (%)	6 – 10 years (%)	> 10 years (%)	
Loss of sales	No impact	10 (66.7)	3 (20.0)	2 (13.3)	17.058 (0.002)
	Low impact	15 (71.4)	6 (23.8)	1 (4.8)	
	High impact	177 (64.6)	95 (34.7)	2 (0.7)	
Disruption of business	No impact	8 (80.0)	1 (10.0)	1 (10.0)	7.541 (0.110)
	Low impact	20 (66.7)	9 (30.0)	1 (3.3)	
	High impact	174 (64.4)	93 (34.40)	3 (1.2)	
Loss of customers	No impact	7 (77.8)	1 (11.1)	1 (11.1)	8.726 (0.068)
	Low impact	16 (69.6)	6 (26.1)	1 (4.3)	
	High impact	179 (64.4)	96 (34.5)	3 (1.1)	
Loss of customers can lead to great loss	No impact	7 (70.0)	2 (20.0)	1 (10.0)	8.112 (0.088)
	Low impact	13 (72.2)	4 (22.2)	1 (5.6)	
	High impact	182 (64.5)	97 (34.4)	3 (1.1)	
Cancellation of Appointment	No impact	8 (61.5)	3 (23.1)	2 (15.4)	17.383 (0.002)
	Low impact	17 (58.6)	12 (41.1)	0	
	High impact	177 (66.3)	87 (32.6)	3 (1.1)	
Great loss of goods	No impact	10 (83.3)	1 (8.3)	1 (8.3)	9.241 (0.055)
	Low impact	33 (75.0)	11 (25.0)	0	
	High impact	159 (62.6)	91 (35.8)	4 (1.6)	
Inability to fulfill business promises	No impact	7 (63.6)	2 (18.2)	2 (18.2)	21.225 (<0.001)
	Low impact	13 (76.5)	4 (23.5)	0	
	High impact	182 (64.5)	97 (34.4)	3 (1.1)	

This table 6 shows the association between the impact of EndSARS on SMEs and the

age of business operated by the operators. It reveals that loss of sales ($\chi^2 = 17.058$, $p <$

0.05), cancellation of appointment ($\chi^2 = 17.383$; $p < 0.05$), and inability to fulfill business promises ($\chi^2 = 21.225$; $p < 0.05$) as effects of the EndSARS protest on SMEs are significant associated with the age of the business while the other effects are not associated with the business' age. The table shows that the impacts are greater on younger businesses than older ones.

DISCUSSIONS

The results show that the impact of the protest on SMEs was high in form of loss of sales (88.4%), disruption of business (87.1%), loss of customers (89.7%), loss of goods (81.9%), cancellation of business appointments (86.1%), broken business promises (91.0%) and loss of business (91.0%). These findings agreed with Ogunlade, Oseni, & Tiamiyu (2021) who reported same in their study in Oyo State.

The protest also resulted in reduced demand and supply, high transportation fares, looting of goods, property vandalisation, disruption of businesses and destruction of goods and properties. These findings obviously result in high claims from insurance companies for business that have insurance covers as was reported by Nigerian Insurers Association (NIA) (Olafusi, 2022)

The study found a significant association between the loss of sales, cancellation of appointments and failure to fulfil promises occasioned by the EndSARS protest and the age of the business ($p < 0.05$). This implies that younger businesses more affected more than older ones and is understandable as older businesses have stronger roots. This finding was in agreement partly with the submissions of Moos & Botha (2016) who noted that the age of business has no significant effect on its outputs and of Radipere & Dhliwayo (2014) who found a significant effect of age of the business on its performance in South Africa.

Among the challenges highlighted include Raising Funds for Working Capital brought, stiff competition, government regulation, management issues for the operator, etc. (Yoshino & Taghizadeh-Hesary, 2016). These challenges were different from that identified by Beattie

(2022) who mentioned fatigue, dependence on clients, management of money, dependence on founders and balancing quality and growth though these may not be absent within Lagos.

Lastly, the study found SMEs can be improved by advancing zero-interest rate loans to operators, making the business environment conducive, making available raw materials for production, providing training for operators, helping operators prepare business plan for their business, allowing low tax payment for operators, and reducing the stiff competition in the market. Some of the improvement strategies were in line with what was advanced by Ogunlade, Oseni, & Tiamiyu (2021) in Oyo State.

CONCLUSION

The study, therefore, concluded that the EndSARS protest had a high impact on SMEs in the studied locations. The protest resulted in reduced demand and supply, high transportation fares, looting of goods, property vandalisation, disruption of businesses and destruction of goods and properties. The study found a significant association between the loss of sales, cancellation of appointments and failure to fulfil promises occasioned by the EndSARS protest and the age of the business.

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