

Effect of Insecurity on Business Development and Sustainability of SMEs in Imo State, Nigeria

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ABSTRACT

This study investigates the impact of insecurity on business development and sustainability in Imo State, Nigeria. Insecurity in the state has intensified due to increased incidences of armed robbery, kidnapping, political violence, and attacks by unidentified gunmen. These challenges have negatively affected business operations, deterred investments, and threatened the sustainability of enterprises. Employing a qualitative research design, data were collected through interviews and focus group discussions with key stakeholders, including business owners and government officials. The findings reveal that insecurity significantly increases operational risks and costs, causes reduction in customer patronage, disrupts supply chains, and leads to the closure or relocation of businesses from affected areas. Additionally, the study identified a pervasive climate of fear and uncertainty, which hinders strategic business planning and entrepreneurial growth. Among the recommendations include the urgent need for government-led security sector reforms, increased intelligence-led policing, strengthened collaboration with local communities, and the establishment of business resilience support programs. The study concludes that restoring security is indispensable for economic recovery and sustainable enterprise growth in Imo State.

KEYWORDS: Insecurity, Business Development, Sustainability, Economic Growth.

1. INTRODUCTION/BACKGROUND

In recent years, insecurity has emerged as one of the most critical challenges undermining economic stability and business development in Nigeria. The country has witnessed a disturbing escalation in various forms of insecurity, including armed robbery, kidnapping for ransom, political violence, communal clashes, and insurgency, all of which have significantly hindered social and economic progress (Ajayi, 2015; Ewetan & Urhie, 2014). Imo State, located in the South-East region of Nigeria, has not been immune to these challenges. What was once regarded as one of the most peaceful and economically vibrant states in the region is now grappling with increasing incidents of violence and instability. The state has experienced repeated attacks by unknown gunmen, destruction of public infrastructure, targeted killings, and the displacement of residents and entrepreneurs, creating a hostile environment for businesses.

Small and Medium Enterprises (SMEs) are widely recognized as critical drivers of economic growth, employment generation, and poverty reduction in developing economies such as Nigeria. According to the Small and Medium Enterprises Development Agency of Nigeria, SMEs account for over 90% of businesses in Nigeria and contribute significantly to national GDP and job creation. Their role in fostering innovation, promoting local production, and enhancing economic diversification makes them indispensable to sustainable development (Aremu & Adeyemi, 2011).

Despite their importance, SMEs in Nigeria operate in a highly volatile and uncertain environment characterized by infrastructural deficits, policy inconsistencies, and, more recently, rising insecurity. Insecurity, which encompasses armed robbery, kidnapping, terrorism, political violence, and civil unrest, has become a pervasive challenge affecting economic activities across the country. In the South-East region, particularly Imo State, insecurity has intensified in recent years due to violent attacks, enforcement of sit-at-home orders, and clashes between security forces and non-state actors. These developments have created a hostile business climate that undermines the growth and sustainability of SMEs.

Business development refers to the processes, strategies, and activities aimed at improving a firm's market position, profitability, and long-term growth, while sustainability involves the ability of businesses to maintain operations over time despite environmental challenges (Schaltegger, Hansen, & Lüdeke-Freund, 2016). For SMEs to thrive, they require a stable and secure environment that fosters investment, consumer confidence, and operational continuity. However, persistent insecurity disrupts supply chains, reduces customer patronage, increases operational costs, and forces many businesses to either scale down or shut down entirely (Ewetan & Urhie, 2014)

Business development and sustainability depend largely on a secure and predictable operating environment. Insecurity introduces uncertainty, raises the cost of doing business, deters investment, disrupts supply chains, and erodes consumer confidence (Okereke & Nwachukwu, 2018; World Bank, 2021). These challenges are even more pronounced in conflict-prone regions like Imo State, where entrepreneurs face the dual burdens of operating under volatile conditions and recovering from repeated shocks. The persistent threat to lives and property not only forces businesses to scale down or shut down operations but also discourages potential investors from exploring opportunities in the state (Udeh & Nwankwo, 2021).

Moreover, the implications of insecurity go beyond immediate business operations; they affect long-term planning, innovation, workforce stability, and overall economic sustainability. As insecurity escalates, the institutional and infrastructural support systems that businesses rely on weaken, leading to a breakdown in entrepreneurial ecosystems and loss of economic momentum (Isenberg, 2011). Given the strategic role of small and medium enterprises (SMEs) in employment generation and economic development, addressing the insecurity crisis becomes imperative for the socioeconomic recovery and sustainability of Imo State and Nigeria at large. Therefore, this study seeks to critically examine the effects of insecurity on business development and sustainability in Imo State, with the objective of identifying the key dimensions of the crisis, assessing its impacts on enterprise growth, and recommending practical solutions that can promote resilience and long-term development in the state's business environment.

Statement of the Problem

Despite Imo State's strategic position and economic potential, the persistent insecurity in the region has stunted its economic development. Many businesses have been vandalized, extorted, or forced to shut down, while others operate below capacity due to fear of attacks (Ajayi, 2015). The unpredictable nature of the insecurity undermines investment prospects and weakens institutional frameworks needed for sustainable business development. There is a dearth of qualitative research focusing on how this insecurity directly and indirectly affects business sustainability in the region, leaving a critical gap in literature and policymaking.

Empirical studies have established a strong negative relationship between insecurity and business performance in Nigeria. For instance, Ewetan, O. O. and Urhie, E. (2014) found that insecurity significantly discourages both local and foreign investments, thereby hindering economic development. Similarly, studies focusing on the South-East region reveal that frequent disruptions caused by insecurity have led to reduced productivity, loss of revenue, and declining investor confidence among SMEs (Okoli & Iortyer, 2014). In Imo State specifically, business owners face challenges such as restricted movement, destruction of property, and uncertainty, all of which negatively impact business operations and long-term sustainability.

Furthermore, insecurity increases the cost of doing business as firms are forced to invest in private security, insurance, and alternative logistics arrangements. These additional costs reduce profit margins and limit the capacity of SMEs to expand or reinvest. The psychological impact of insecurity on entrepreneurs, including fear and uncertainty, also affects decision-making and risk-taking behavior, which are essential for business growth (Onuoha, 2016).

The concept of business sustainability has gained increasing attention in recent years, emphasizing not only economic performance but also resilience and adaptability in the face of external shocks. Insecurity poses a major threat to this sustainability by creating an unpredictable business environment that discourages long-term planning and investment. SMEs, due to their limited financial and structural capacity, are particularly vulnerable to such shocks compared to large corporations.

Given these challenges, it is imperative to examine the effect of insecurity on the development and sustainability of SMEs in Imo State. Understanding this relationship will provide valuable insights for policymakers, business owners, and stakeholders in designing strategies to mitigate the adverse effects of insecurity and promote a more conducive environment for business growth

Objectives of the Study

1. To examine the nature and prevalence of insecurity in Imo State and its impact on business operations.
2. To assess how insecurity affects economic sustainability and investor confidence in Imo State.
3. To explore strategies for mitigating insecurity to foster a more conducive business environment in Imo State.

Hypotheses H₁: Insecurity has a significant negative effect on business operations in Imo State.

H₂: There is a significant relationship between the level of insecurity and economic sustainability of business in Imo State.

H₃: The implementation of effective security strategies can significantly improve the business environment in Imo State.

2. LITERATURE REVIEW

Conceptual Literature

2Concept of Insecurity

Insecurity refers to the state of being exposed to danger, fear, or threat of harm to life, property, or economic activities. It encompasses various forms such as terrorism, kidnapping, armed robbery, insurgency, and civil unrest. In the Nigerian context, insecurity has become a major socio-economic challenge affecting both individuals and businesses. Security, on the other hand, implies freedom from danger and the protection of lives and assets (Asogwa et al., 2022).

Insecurity disrupts normal economic activities by creating uncertainty and fear among investors and entrepreneurs. It leads to reduced mobility, destruction of infrastructure, and loss of human capital, thereby undermining economic productivity and business operations (Agogbua et al., 2022).

Insecurity is broadly defined as a condition in which individuals, groups, or organizations experience threats to their safety, property, or overall well-being due to the prevalence of criminal or violent activities (Ewetan & Urhie, 2014). In the context of business environments, insecurity encompasses threats such as armed robbery, kidnapping, arson, extortion, and political violence, all of which directly impede commercial activities. Insecurity leads to heightened uncertainty, loss of lives and property, and a general climate of fear, thereby destabilizing economic functions.

Insecurity refers to a state of being open to danger or threat, lacking protection or stability. In the Nigerian context, insecurity encompasses activities such as terrorism, armed robbery, kidnapping, political thuggery, and communal clashes (Onuoha, 2013). In Imo State, the growing wave of attacks by unidentified gunmen and clashes between state forces and insurgent groups have rendered several regions unsafe. The implications of insecurity on daily life and economic activities are grave, as it discourages business transactions, affects workforce mobility, and hampers strategic investment planning (Edeh & Ugwu, 2020).

Concept of Small and Medium Enterprises (SMEs)

Small and Medium Enterprises (SMEs) are businesses characterized by relatively small capital base, limited workforce, and localized operations. SMEs play a vital role in economic development by generating employment, promoting innovation, and contributing to GDP. In Nigeria, SMEs account for a large proportion of businesses and serve as engines of economic growth and poverty reduction.

Empirical evidence suggests that SMEs contribute significantly to income generation and employment creation, particularly in developing economies (Yahuza, 2025). However, their small size and limited access to resources make them highly vulnerable to external shocks such as insecurity.

Business Development

Business development refers to the strategies, processes, and activities aimed at improving a firm's growth, profitability, and competitive position. It includes market expansion, customer acquisition, product development, and innovation. In an insecure environment, business development is severely constrained. Entrepreneurs may be unable to expand operations, access new markets, or invest in innovation due to fear of losses and instability. Insecurity reduces investor confidence and discourages both domestic and foreign investments, thereby limiting business growth (Ewetan & Urhie, 2014).

Business development refers to the processes and strategies employed to grow an enterprise through expansion of market access, increased productivity, enhanced innovation, and profitability. It involves a combination of strategic planning, customer relationship management, and market expansion initiatives. Sustainability, in the

realm of business, implies the capacity of businesses to operate over the long term without exhausting resources, harming the environment, or being unduly vulnerable to external shocks such as economic instability, policy shifts, or, notably, insecurity (World Bank, 2021). Business Development: Business development involves the processes and strategies adopted by firms to grow their operations, improve performance, and expand market reach. It includes activities such as identifying new market opportunities, forming partnerships, innovation, and optimizing value delivery. Business development is highly dependent on a stable and secure environment. Without security, firms cannot operate efficiently, explore new markets, or attract capital (Adebayo, 2013). In Imo State, the presence of violent attacks has caused many enterprises to scale down operations or exit the market, thus reversing growth trajectories.

Business Sustainability

Business sustainability refers to the ability of a firm to maintain its operations, profitability, and relevance over time despite environmental challenges. It involves resilience, adaptability, and efficient resource utilization.

Studies indicate that insecurity significantly hampers the sustainability of SMEs by increasing operational risks, reducing revenue, and forcing businesses to shut down or relocate. Time-series evidence shows that insecurity has a statistically significant negative effect on SME sustainability in Nigeria (Ayobami, 2023).

Business Sustainability entails the ability of a business to maintain long-term operations by balancing economic goals with social and environmental responsibilities. In conflict-affected regions, sustainability becomes more difficult due to disrupted supply chains, poor infrastructure, and a volatile political environment. In Imo State, persistent insecurity undermines sustainability by increasing operational costs, reducing productivity, and eroding investor confidence (Okereke & Nwachukwu, 2018). Sustainable businesses require a predictable and secure climate to thrive, and the absence of such conditions often leads to premature closures.

Economic activity in Imo State is salient and pronounced. Imo State’s economy is predominantly driven by education, agriculture, commerce, hospitality, and informal trading. The state also has a significant diaspora population that contributes through remittances and investments. However, the recent spate of insecurity has curtailed these contributions. For instance, agribusinesses in rural areas face challenges accessing markets due to road blockades and attacks, while commercial hubs like Owerri have seen declining foot traffic due to fear of violence (Udeh & Nwankwo, 2021). These disruptions significantly affect the local economy, leading to increased unemployment, inflation, and reduced internally generated revenue (World Bank, 2021).

By understanding these conceptual frameworks, the study provides a foundational lens through which the relationship between insecurity and business outcomes in Imo State can be analyzed. These concepts reinforce the importance of security as a precondition for sustainable development, effective business operations, and economic stability. A key intersection of these concepts lies in the understanding that without a secure and stable environment, business development efforts are often undermined, and long-term sustainability is jeopardized.

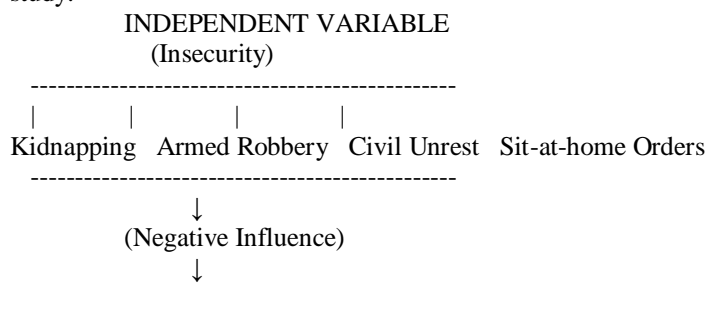
Relationship Between Insecurity, Business Development, and Sustainability

The relationship between insecurity and SMEs is multidimensional. Insecurity affects:

- **Business development** through reduced investment and expansion opportunities
- **Business sustainability** through increased costs and operational disruptions.

Research shows that insecurity creates an unfavorable business environment, thereby reducing productivity, profitability, and long-term survival of SMEs (Asogwa et al., 2022).

Below is a **conceptual framework diagram** that illustrates the relationship between the key variables in the study:





The framework shows that **insecurity (independent variable)** which is manifesting through kidnapping, armed robbery, civil unrest, and sit-at-home orders has a **direct negative effect** on both **business development** and **business sustainability** of SMEs in Imo State.

- **Business Development** is affected through reduced expansion opportunities, declining profits, and poor investment decisions.
- **Business Sustainability** is impacted through threats to business survival, reduced resilience, and disruption of operations.

The framework also introduces **moderating variables** such as government policies, security interventions, digital adaptation, and entrepreneurial resilience. These factors can either weaken or strengthen the impact of insecurity on SMEs.

Theoretical Literature

Several theoretical frameworks underpin this study. Prominent among these theories are the **Maslow’s Hierarchy of Needs Theory**; **Social Disorganization Theory**; **The Entrepreneurial Ecosystem Theory**; **The Routine Activity Theory** and **The Systems Theory**, are employed to provide insight into how insecurity influences business outcomes in Imo State.

Maslow’s Hierarchy of Needs Theory

Proposed by Abraham Maslow (1943), this theory posits that safety is a fundamental human need that must be satisfied before higher-level needs such as economic growth and self-actualization can be achieved.

In the business context, security is a prerequisite for economic activities. When insecurity prevails, entrepreneurs focus on survival rather than growth and expansion. Thus, insecurity directly undermines business development and sustainability.

Social Disorganization Theory: Developed by Shaw and McKay (1942), this theory posits that crime and antisocial behavior are more likely to flourish in communities where social institutions such as family, schools, and local government are weak or ineffective. The theory underscores how structural factors like poverty, unemployment, and poor governance create fertile ground for insecurity. This theory is relevant to the first and second objectives of this study, which examine how insecurity affects business development and sustainability. When social institutions fail, criminal activity increases, deterring investments and destabilizing business environments (Ewetan & Urhie, 2014; Adebayo, 2013).

Entrepreneurial Ecosystem Theory: This theory conceptualizes business environments as systems of interdependent actors and conditions, including government, financial institutions, universities, and cultural attitudes (Isenberg, 2011). When insecurity disrupts any part of this system—such as the availability of capital, safe physical infrastructure, or market access—entrepreneurial activities decline. This theory directly supports the third objective and hypothesis of this study, highlighting how insecurity impedes not just business survival but long-term economic planning and investment decisions (Udeh & Nwankwo, 2021; Okereke & Nwachukwu, 2018).

By applying these theories, the study establishes a logical connection between insecurity and weakened business outcomes, offering a solid foundation for hypothesis testing and interpretation of results.

The Routine Activity Theory: Developed by Cohen and Felson (1979), posits that the occurrence of a crime is contingent upon three elements: a motivated offender, a suitable target, and the absence of capable guardianship. In the context of Imo State, the prevalence of crimes such as kidnapping, extortion, and vandalism against business enterprises suggests that these three elements are routinely present. The lack of adequate policing, insufficient surveillance infrastructure, and weak legal enforcement mechanisms contribute to the absence of capable guardianship, thereby creating an enabling environment for criminal activities.

The Systems Theory: Views organizations and businesses as parts of a larger interconnected system. According to Ludwig von Bertalanffy (1968), the survival and efficiency of any system are dependent on its interaction with the environment. For businesses, external factors such as social stability, political will, and law enforcement are integral to their operational success. When these systems break down—as in the case of systemic insecurity—businesses are adversely affected. This theory helps to contextualize how the broader socio-political instability in Imo State affects the microeconomic structures, including small and medium-sized enterprises (SMEs). Systems theory views society and the economy as interconnected systems where changes in one part affect others. Insecurity within the socio-political system disrupts the economic system, including business operations.

This theory explains how insecurity affects SMEs through:

- disruption of supply chains
- reduced consumer confidence
- instability in the business environment

Empirical Literature

Numerous empirical studies have investigated the effects of insecurity on business performance in developing economies. Empirical studies across Nigeria consistently show that insecurity has a significant negative impact on SMEs.

A study by Asogwa et al. (2022) found that insecurity, including kidnapping and insurgency, has a **negative and statistically significant effect on SME performance**, leading to reduced productivity and profitability.

Similarly, Idris and Musa (2025) revealed that insecurity significantly affects SME growth, with results indicating that poor security conditions hinder business expansion and investment decisions.

Another study conducted in North-Eastern Nigeria found that insecurity negatively impacts key performance indicators such as sales, profitability, and customer retention among SMEs (Mamman et al., 2025).

Research in Kaduna State also showed that kidnapping, terrorism, and banditry significantly reduce SME performance and operational efficiency (Jimoh et al., 2023).

Furthermore, studies indicate that insecurity leads to:

- reduced working hours
- increased operational costs
- early business closure due to fear of attacks (Oriazowanlan, 2019).

Recent studies also highlight that insecurity, combined with economic uncertainty, significantly reduces SME performance and sustainability across Nigeria (2026 studies on MSMEs).

Ajayi (2015) highlighted that recurrent security breaches have discouraged both local and foreign investors in Nigeria, resulting in decreased capital inflow and business closures. He noted that businesses in insecure regions spend significantly on private security and insurance, thereby reducing profitability.

Okereke and Nwachukwu (2018) reported that insecurity in southeastern Nigeria, particularly in Imo State, has led to deindustrialization. Their study found that several companies had to scale down operations or relocate entirely due to persistent threats, leading to massive job losses and decreased economic output.

Onuoha (2013) analyzed the transformation of kidnapping into a lucrative criminal venture in the Niger Delta and its spillover into the Southeast, especially Imo State. The author emphasized how such targeted violence against business stakeholders has eroded investor confidence and disrupted commercial supply chains.

Adebayo (2013) linked the rising crime rate in Nigeria to youth unemployment and socio-economic disenfranchisement. He emphasized that crime and insecurity discourage entrepreneurship and increase business vulnerabilities, particularly in politically unstable regions like Imo State.

In a study by Edeh and Ugwu (2020), over 60% of surveyed SMEs in Southeast Nigeria reported direct operational disruptions due to insecurity. About 45% experienced temporary closures, while 30% of businesses considered relocating. The study concluded that insecurity was a critical determinant of business fragility in the region.

Nnamani and Eze (2022) focused on the effects of banditry and community clashes on market operations in Eastern Nigeria. Their findings showed that market participation declined significantly during periods of intense insecurity. Business revenues dropped, and many traders reduced their inventory to minimize losses.

Similarly, Udeh and Nwankwo (2021) examined the economic cost of insecurity in Imo State. Using qualitative interviews with local business owners, they found that extortion by armed groups, vandalism, and government inaction were leading to a collapse in local commerce. Respondents indicated that the constant threats had weakened long-term business planning.

These empirical studies collectively underscore the detrimental effects of insecurity on business development and sustainability, particularly in regions experiencing prolonged unrest like Imo State. However, there remains a gap in localized qualitative research that captures personal business experiences and the nuanced impacts of insecurity on micro-enterprises and informal economic activities.

Gap in Literature

While there is a substantial body of literature examining the macroeconomic effects of insecurity on national economies, there is a limited focus on micro-level analyses, especially in the context of subnational entities like Imo State. Most studies take a quantitative approach, focusing on national-level data, with little attention to localized, qualitative experiences of business owners who bear the brunt of security challenges. Moreover, the unique dynamics of Imo State such as the rise of unidentified gunmen, political instability, and weak state response require focused research. Additionally, this study has identified and categorized the following gaps: **Geographical Gap:** Most studies focus on Northern Nigeria (e.g., Kaduna, Gombe, North-East), with limited empirical attention on Imo State and the South-East region, where insecurity dynamics (e.g., sit-at-home orders) are unique. **Conceptual Gap:** Existing studies largely examine: insecurity and SME performance, insecurity and economic growth, with only few studies integrating business development and sustainability simultaneously; **Contextual Gap:** Recent forms of insecurity (e.g., civil unrest and movement restrictions in South-East Nigeria) are under-researched, especially their effect on SMEs; and finally the **Temporal Gap-** which revealed that many earlier studies do not capture post-2020 insecurity trends, making updated research necessary. This study fills that gap by providing a qualitative investigation that captures the live experiences of entrepreneurs, investors, and other stakeholders in Imo State. By doing so, it offers nuanced insights that can inform more context-specific interventions and policy formulations.

3. METHODOLOGY

This study adopts a qualitative research design. Data were collected through in-depth interviews and focus group discussions with business owners, investors, and government officials in Imo State. A purposive sampling technique was used to select respondents with direct experience related to the study topic. Data were analyzed using thematic content analysis to identify recurring themes, patterns, and narratives that reflect the impact of insecurity on business development and sustainability.

4. FINDINGS

Data collected from interviews and qualitative surveys with business owners and stakeholders across Imo State revealed that insecurity has led to increased operational costs, reduced business hours, and relocation of businesses to safer regions. Many respondents highlighted fear of extortion, attacks, and unstable policy environments as major deterrents to investment. Several entrepreneurs noted that lack of government intervention and inadequate policing have further compounded the security challenge.

Affirmation of Objectives and Hypothesis Testing

The study's objectives were clearly articulated to evaluate how insecurity affects business development, to identify the specific aspects of insecurity impacting business sustainability, and to propose practical measures to address these challenges. These objectives align with the works of Ajayi (2015), Onuoha (2013), and Nnamani and Eze

(2022), who demonstrated how insecurity contributes to diminished business operations, capital flight, and investor apathy in Nigeria.

To affirm the first objective—determining the impact of insecurity on business development—qualitative evidence from interview participants consistently pointed to declining sales, reduced investor interest, and constrained expansion opportunities. The prevalence of extortion, kidnappings, and destruction of business infrastructure discourages reinvestment (Edeh & Ugwu, 2020; Okereke & Nwachukwu, 2018). These findings validate the assertion that insecurity severely hampers business development, echoing the conclusions drawn by Ewetan and Urhie (2014) on the broader Nigerian context.

The second objective—identifying how insecurity affects business sustainability—was substantiated through recurring themes in respondents' testimonies: reduced business confidence, loss of skilled labor, and higher operational costs due to security-related expenditures. The sustainability of businesses, especially SMEs, was found to be under severe threat due to the unpredictable nature of the security situation in the region (Udeh & Nwankwo, 2021). These results align with earlier studies indicating that prolonged insecurity leads to business closures and strategic withdrawals from affected regions (Adebayo, 2013).

The third objective—recommending strategies for mitigating insecurity—was addressed through stakeholder feedback, which highlighted the need for multi-stakeholder collaborations, stronger community policing initiatives, and policy-driven support from the state and federal government. These suggestions support broader academic recommendations on conflict-sensitive economic development and governance (World Bank, 2021). The hypotheses were tested qualitatively using thematic content analysis and the discussion is presented clearly below.

Hypothesis 1: Insecurity has no significant effect on business development in Imo State.

Thematic findings disproved this hypothesis. Virtually all interviewees noted substantial disruptions in their business operations due to insecurity, confirming that the effect is both real and significant (Ajayi, 2015; Onuoha, 2013).

Hypothesis 2: Insecurity does not significantly hinder the sustainability of businesses in Imo State.

This hypothesis was also rejected. Participants provided strong evidence that insecurity had led to the closure or downsizing of businesses. Business sustainability in such an environment is clearly compromised (Edeh & Ugwu, 2020; Udeh & Nwankwo, 2021).

Hypothesis 3: There is no significant relationship between the level of insecurity and investment decisions in Imo State.

This hypothesis was invalidated by the findings that many investors had either postponed or abandoned plans to invest in the state due to frequent violence, poor security response, and loss of trust in state protection mechanisms (Okereke & Nwachukwu, 2018; Nnamani & Eze, 2022).

In conclusion, the objectives were affirmed through a rigorous, participant-driven analysis, and all null hypotheses were rejected based on clear qualitative indicators and corroborated by existing scholarly work. The study thus provides strong scholarly support for the argument that insecurity remains a fundamental barrier to economic growth and business sustainability in Imo State.

The hypotheses were confirmed through thematic analysis:

- H₁ was supported, as nearly all respondents cited direct negative effects of insecurity on their business activities.
- H₂ was confirmed by reports of declining business performance and closures directly linked to security issues.
- H₃ was validated through the consensus among participants that improved security measures—such as community policing, intelligence sharing, and government accountability—could create a more favorable business climate.

5. CONCLUSION

Insecurity has emerged as one of the most significant impediments to the growth and sustainability of SMEs in Imo State, Nigeria. The study highlights that persistent security challenges disrupt business operations, reduce customer patronage, increase operational costs, and ultimately threaten the survival of small and medium-scale enterprises. SMEs, which are vital contributors to employment and economic development, are particularly vulnerable due to their limited resources and inability to absorb prolonged shocks.

The findings underscore that insecurity not only affects immediate business performance but also undermines long-term sustainability by discouraging investment, weakening entrepreneurial confidence, and limiting opportunities for expansion. In an environment characterized by uncertainty and instability, SMEs struggle to implement growth strategies, maintain profitability, and remain competitive.

Therefore, addressing insecurity is not only a security concern but also an economic imperative. Without a stable and secure environment, efforts aimed at promoting entrepreneurship and economic development in Imo State and Nigeria at large may yield limited results

This study concludes that insecurity poses a significant threat to the development and sustainability of businesses in Imo State. The findings clearly demonstrate that the rise in violent crimes, political instability, and ineffective security response mechanisms has created a hostile business environment. As a result, entrepreneurs are unable to plan long-term, sustain operations, or scale their enterprises. This situation not only affects business owners but also exacerbates unemployment and poverty, compounding the region's economic woes.

Moreover, the consistent rejection of all three null hypotheses through qualitative analysis reaffirms that the impact of insecurity on business development, sustainability, and investment decisions is not only significant but also persistent and far-reaching. The affirmation of the study objectives validates the need for urgent and targeted interventions by both government and non-state actors.

6. RECOMMENDATIONS

Strengthening Security Architecture: The state government should collaborate with federal security agencies to improve intelligence gathering and response mechanisms. The establishment of a joint security task force focused on protecting commercial hubs and industrial areas is essential.

Community Policing and Vigilante Support: Localized security strategies such as community policing and the formal integration of vigilante groups can enhance surveillance, build trust with residents, and deter criminal elements.

Business Resilience Programs: Government and NGOs should offer business continuity training, grants, and risk-mitigation strategies to help enterprises withstand security shocks and sustain operations.

Public-Private Partnerships (PPP): Encouraging dialogue between the private sector and government can foster coordinated action plans for improving security and enhancing economic activities.

Youth Empowerment and Employment: Addressing the root causes of insecurity, such as unemployment and poverty, through vocational training and entrepreneurship programs will help divert potential recruits from criminal activities.

Transparent Governance and Political Stability: Establishing accountable governance structures and reducing political tension are critical to ensuring a stable business environment.

Research and Monitoring: Continuous research on the dynamics of insecurity and its economic impact will aid in policy formulation and adaptive strategies for sustaining business operations in volatile regions. Implementing these recommendations will not only mitigate the impact of insecurity on business activities but also contribute to restoring investor confidence and revitalizing the economic prospects of Imo State.

7. CONTRIBUTIONS TO KNOWLEDGE (CLOSING THE GAPS)

This study has made significant contributions by addressing the identified gaps in the literature:

a) **Addressing the Geographical Gap:** Previous studies largely concentrated on Northern Nigeria, with limited attention to the South-East region. This study specifically focuses on Imo State, thereby providing context-specific empirical evidence on how insecurity affects SMEs in the region. Its major contribution is that it has enriched the literature with localized information that reflects the unique insecurity dynamics in Imo State, particularly issues such as sit-at-home orders and regional unrest.

b) **Addressing the Conceptual Gap:** Most existing studies examined insecurity in relation to business performance or economic growth. This study went further by integrating business development and business sustainability. It provides a holistic understanding by linking short-term growth (development) with long-term survival (sustainability), offering a more comprehensive analytical perspective.

c). Addressing the Contextual Gap: Many studies did not adequately capture emerging forms of insecurity, especially those peculiar to the South-East region. This study incorporates **contemporary insecurity issues**, such as enforcement of it-at-home orders, as well as localized civil unrest. This makes the research more **current** and contextually relevant.

d). Addressing the Temporal Gap: The study observed that a significant portion of existing literature is based on pre-2020 data and does not reflect recent developments. By using recent data, this study provides up-to-date insights into how current insecurity trends affect SMEs, thereby improving the timeliness and applicability of the findings.

Overall Contribution to Knowledge

This study contributes to knowledge by:

- Developing an integrated framework linking insecurity with both development and sustainability of SMEs
- Providing empirical evidence from Imo State, a relatively under-researched area
- Expanding the discourse on insecurity by incorporating modern and region-specific challenges
- Offering practical insights for improving SME resilience in insecure environments

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