
IMPACT OF SIT AT HOME ON THE ECONOMY OF SOUTH-EAST NIGERIA: AN EMPIRICAL EVIDENCE FROM SMALL AND MEDIUM ENTERPRISE

Chibuzor Chigozie Nweke, Osita James Igweike and Eze Kenekwukwu Kingsley

Department of Political Science, Faculty of Social Sciences, Nnamdi Azikiwe University, Awka, Anambra State, Nigeria.

Abstract

There has been a growing concern on the relationship between the output of small and medium enterprises and Igbo development in Nigeria. In spite this, micro and nano businesses in the South-East part of Nigeria are losing fortune annually for observing the sit-at-home order on Mondays. To ascertain the extent of the impact of sit at home on small and medium enterprise in South-East Nigeria underscores the study. Three research questions and two hypotheses were raised for the study. A descriptive survey research design was adopted for the study. Multi-stage sampling was used to select 384 SMEs. Data were collected using questionnaire and analysed using descriptive statistics, regression analysis and t-test. The study revealed a significant and positive relationship between economic development and small and medium enterprises output. Result from the study shows that SMEs output was negatively affected by the Monday sit-at-home order. The study shows that majority of the business operators want an end to the sit-at-home order. The study recommends that government should come to terms of agreement with the IPOB hierarchy to restore sound business environment for expected level of growth of SMEs in the Southeast region.

Key words: Small and medium enterprise, economy, Southeast, Sit-at-home, IPOB

Introduction

Micro and nano businesses in the Southeast part of Nigeria are losing N4.618 trillion (\$10.495 billion) annually for observing the sit-at-home order on Mondays (Anudu, 2023). Several sit-at-home orders have been mandated in the Southeastern region of Nigeria to demonstrate for the liberation of their freedom fighter, Mazi Nnamdi Kalu (Aytogo, 2021). The sit-at-home orders are usually observed on Mondays, and on other days of the week, Nnamdi Kanu is to appear before the court of competent jurisdiction (Emeruwa, 2021).

The five states in the Southeastern part of Nigeria (Ebonyi, Enugu, Anambra, Imo and Abia State) are bound by the stay-at-home orders, as well as states in the South-South (Delta, Rivers) and the North Central (Benue, Kogi State) (Aytogo, 2021). The Indigenous People of Biafra (IPOB) consider themselves to be the owners of the Southeast region of the nation as well as some states in the aforementioned geographical zones where these decrees are enforceable (Ugwu, 2022). The sit-at-home orders affect almost all of Nigeria's geopolitical regions. This is due to restrictions on movement into the Southeastern states from other geopolitical zones of the nation on the days the directives are to be observed (Ozibo&Okorie, 2022).

Economic activities are halted on days the orders are to be observed, as no one is allowed to carry out any transactions intra and inter states. Individuals who ignore the orders will be either killed or forced to comply (Ugwu, 2022). Economic activities are disrupted on the days the sit-at-home orders are observed in the Eastern part of Nigeria owing to the fact that productive assets and resources are placed on hold (Okeoma, 2021). In their study, Vaskov, Pienknagura, and Ricci (2021) show how limits on people's freedom of movement harm economic activities, particularly in nations with low economic growth. Okafor (2022) said that from 2011 to 2015, social disturbance in Nigeria caused a cumulative drop in GDP. According to Odili (2021), the sit-at-home order has resulted in a significant GDP drop for the Southeast region of the country when compared to other geopolitical regions. Moreover, Simon Ekpa was quoted by Azeez (2022) as saying that the sit-at-home edict has cost the Nigerian government an estimated \$1 billion in weekly revenue.

The persistent stay-at-home order has become an annoyance for the people, as it disrupts their daily lives and has caused a backlash and regress to the economy of the eastern region of Nigeria. The consequence of the order is experienced in the economic, social, educational, and all other parts of the Southeastern Nigerian economy (Ozibo & Okorie, 2022).

The notion that the sit-at-home order is ruining the growth of Small Medium Enterprise (SMEs) in eastern Nigeria is the driving force of this study. SMEs constitute a vital engine for the economic growth and development of the Southeast region (Onuoha, 2010). Igbo entrepreneurial activities have been observed to be a sine qua non for the economies of the region and Nigeria. There is also evidence that the quality of life of the people in both rural and urban settings is hugely affected by the proceed they make from running their businesses on a daily basis. Therefore, disruptions like the sit-at-home order would have grave consequences for the livelihood of people in the region and for the entire region in general. This theme has attracted scholarly attempts and has continued to be a theme of discussion among scholars. It has attracted a lot of qualitative studies, but very little empirical investigation. Most studies focused on the impact of the sit-at-home order on the economy of the Southeast region without giving attention to the nature of the impact or how people reacting to the ordeal. On this note, the researcher is poised to ascertain the impact of sit- at-

home order on the economy of southeast Nigeria from the viewpoint of small and medium enterprises.

Aim of the study

The main of this study is to examine the impact of sit at home on the economy of Southeast Nigeria. Specifically, the study seeks to:

- examine the impact of the sit-at-home order on the economic activities in Southeast Nigeria;
- examine the nature of impact the sit-at-home order has on SMEs in Southeast Nigeria; and
- find out the position of SMEs operators as regards the sit-at-home order in Southeast Nigeria.

Research questions

- To what magnitude is the impact of the sit-at-home order on the economic activities of Southeast Nigeria?
- What is the nature of impact the sit-at-home order has on SMEs in Southeast Nigeria?
- What is the position of SMEs operators as regards the sit-at-home order in Southeast Nigeria?

Hypotheses

- There is no significant difference between the mean responses of male SMEs operators and female SMEs operators on the impact of the sit-at-home order on the economic activities in Southeast Nigeria.
- There is no significant difference between the mean responses of male SMEs operators and female SMEs operators on position of SMEs operators as regards the sit-at-home order in Southeast Nigeria.

Methodology

Research design

The study adopted a descriptive survey research design. This type of research enabled researchers to employ questionnaires to determine the opinions, perceptions, and attitudes of people about issues confronting food security in Southeast Nigeria.

Area of the study

The study was carried out in Southeast Nigeria. Southeast Nigeria comprises of five States, which are Abia, Anambra, Ebonyi, Enugu and Imo State.

Population and sampling technique for the study

The population of the study comprised all 91396 registered SMEs operating within Southeast Nigeria. The sample size used for the study was first determined using Taro Yamani. A multi-stage sampling technique was employed in selecting 398 SMEs used for the study. Sampling was done in two stages. At the first stage, three states (Anambra, Abia and Imo) were purposively selected. These states were selected because the sit-at-home was completely observed people, businesses, schools etc. At the second stage, convenience sampling was used to select 137 SMEs in Anambra, 180 SMEs in Abia and 81 SMEs in Imo State respectively.

Instruments for data collection

A structured questionnaire designed by the researcher was the instrument used for data collection. The questionnaire consisted of two sections A and B. Section I provided information on, the personal characteristics of SMEs operators as well the characteristics of

SMEs. Section B was made up of three clusters according to the three specific objectives/research questions. Responses to the items in the questionnaire were based on a four-point Likert type rating scale and open-ended response. The instrument was duly validated by three experts (2 from the Department of Political Science, Nnamdi Azikiwe University, Awka) and 1 from Department of Computer Science, Nnamdi Azikiwe University, Awka). Reliability of the instrument was ascertained using Cronbach Alpha. A reliability coefficient of 0.89 was established which signified very high reliability of the instrument.

Data collection

Direct method was applied by the researcher and three research assistants in distributing and collecting the questionnaire from the respondents at the respective locations of the study area. Before the distribution of the questionnaire, the research assistants were briefed on the modalities for distributing and collecting the questionnaire from the respondents on the spot. This ensured that the respondents appropriately complete the questionnaire. After collecting the questionnaire, the researcher observed that 384 questionnaire were correctly answered by the respondents'. So, statistical analysis of data was based on the 384 questionnaire.

Data analysis

The data analyses employed in this study were both descriptive and inferential analysis. Percentages, Mean and standard deviation were used to answer research questions raised in the study. A criterion mean of 2.50 was used as the benchmark for decision making for each item, since a four-point rating scale was used for the study. Thus any item with a mean of 2.50 and above was considered as accepted by the respondents, while any item with a mean below 2.50 was considered as unaccepted by the respondents. Independent sample t-test was used to test for the hypotheses raised at a significant level of 0.05. Analysis was done with the use of Microsoft Excel and the Statistical Package for Social Science (SPSS) version 25.0.

1. Results

Three hundred and ninety eight respondents completed the questionnaire. The responses of the respondents on each of the items in the questionnaire were computed. Results are presented in Tables.

Research question 1: *To what magnitude is the impact of sit-at-home order on the economic activities of Southeast Nigeria?*

Results of Research Question one are presented on table 1

Table 1: Mean responses of the respondents' on how the impact of sit-at-home order on the economic activities of Southeast Nigeria

S/N	Item statements:	$\bar{X}$	SD	Decision
1	Disrupt economic activities	2.85	0.96	GE
2	Reduces income generation	2.90	0.94	GE
3	Reduces productive work hours	2.89	0.91	GE
4	Reduces total economic output	2.86	0.93	GE
5	Increase hardship	2.82	0.98	GE
	Grand Mean	2.86	0.94	GE

Note: $\bar{X}$ = Mean, SD = Standard Deviation, N = Number of Respondents = 398, GE = Great Extent

The results presented in Table 1 showed the mean and standard deviation of respondents' responses on the impact of sit-at-home order on the economic activities of Southeast Nigeria. The results showed that the Monday sit-at-home order disrupted economic

activities, caused a reduction in income generation, productive work hours and total economic output of the region. The sit-at-home order also contributed to the rise of hardship the region ($\bar{X} > 2.50$).

Hypothesis 1: There is no significant difference between the mean responses of male SMEs operators and female SMEs operators on the impact of the sit-at-home order on the economic activities in Southeast Nigeria

The Results of Hypothesis 1 are presented on table 2

Table 2: t-test analysis of difference in respondents' responses on the impact of the sit-at-home order on the economic activities in Southeast Nigeria

Respondents	N	$\bar{X}$	SD	t-cal	df	P-value	Decision
Male	287	2.87	0.52	0.60	382	0.62	NS
Female	97	2.83	0.76				

$\bar{X}$ = Mean; SD = Standard Deviation; t-critical = 1.96; t-cal = t- calculated value; N = Number of respondents for each category; df = Degrees of freedom; Sig = Significant at 0.05 level; NS = Not significant.

This hypothesis was tested by carrying out an independent sample t-test by comparing respondents' views on the impact of the sit-at-home order on the economic activities in Southeast Nigeria. There was no significant difference in the mean response for male ($\bar{X} = 2.87$, $SD = 0.52$) and females ($\bar{X} = 2.83$, $SD = 0.76$), $t\text{-cal}(382) = 0.62$, $p = 0.62$ at 0.05 level of significance. Following this result, the null hypothesis is upheld.

Research question 2: What is the nature of impact of the sit-at-home order on SMEs in Southeast Nigeria?

Results of Research Question two are presented on Fig 1

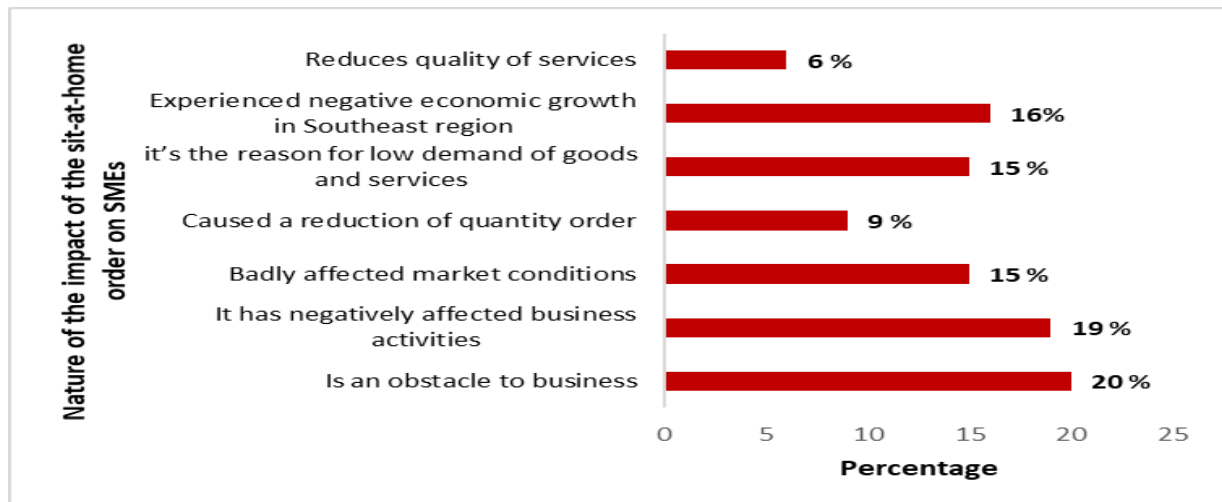


Fig 1: Nature of the impact of the sit-at-home order on SMEs in Southeast Nigeria

The result in Fig 1 show the nature of the impact of the sit-at-home order on SMEs in Southeast region. Majority (30 %) of the respondents indicated that the sit-at-home order is an obstacle to business. Other nature of the impacts of the sit-at-home order as indicated by the respondents are negative effect on business activities (19 %), negative economic growth in the region (16 %), low demand in goods and services (15 %), caused reduction in the quantity of goods order (9 %), and reduced quality of services (6 %).

Research question 3: *What is the position of SMEs operators as regards the sit-at-home order in Southeast Nigeria?*

Results of Research Question three are presented on table 3

Table 3: Mean responses of the respondents on the position of SMEs operators as regards the sit-at-home order in Southeast Nigeria

S/N	Item statements:	$\bar{X}$	SD	Decision
1	An opportunity to rest	2.38	0.91	Rejected
2	Have more time strategize	2.31	0.94	Rejected
3	Care less of the sit-at-order	2.28	0.97	Rejected
4	Am in support of the order	2.40	0.93	Rejected
5	I want it to end soon	2.80	0.94	Accepted
	Grand Mean	2.43	0.94	Rejected

Note: $\bar{X}$ =Mean, SD=Standard Deviation, N = Number of Respondents=398

Result in Table 4, shows that respondents are not in support of the sit-at-home order (*Grand $\bar{X}$ = 2.43*).

Hypothesis 2: *There is no significant difference between the mean responses on the position of male SMEs operators and the position of female SMEs operators as regards the sit-at-home order in Southeast Nigeria*

The Results of Hypothesis 2 are presented on table 4

Table 4: t-test analysis of difference in respondents' responses on the position of SMEs operators as regards the sit-at-home order in Southeast Nigeria

Respondents	N	$\bar{X}$	SD	t-cal	df	P-value	Decision
Male	287	2.42	0.92	2.78	382	0.06	NS
Female	97	2.44	0.94				

$\bar{X}$ = Mean; SD = Standard Deviation; t-critical = 1.96; t-cal = t- calculated value; N = Number of respondents for each category; df = Degrees of freedom; Sig = Significant at 0.05 level; NS = Not significant.

This hypothesis was tested by carrying out an independent sample t-test by comparing respondents' responses their position as regards the sit-at-home order in Southeast Nigeria. There was no significant difference in the mean response for male ($\bar{X}$ = 2.42, *SD* = 0.92) and females ($\bar{X}$ = 2.44, *SD* = 0.94), *t-cal* (382) = 2.78, *p* = 0.06 at 0.05 level of significance. Following this result, the null hypothesis was not rejected.

Discussion

The sit-at-home order imposed by the IPOB had a negative effect on the socioeconomic activities of Southeast region. This result is in consonant with the findings of Ozibo and Okorie (2022) who in their study revealed that economic activity was negatively affected by the IPOB sit-at-home. Economic activities were disrupted causing productive work hours to shrink from what it used to be. Thus, income-generating power of SMEs is negatively affected. The sit-at-home order also contributed to the rise of hardship in the region. Of course, this is more likely to be expected since SMEs is the major source of livelihood in the region.

The sit-at-home order enforced by the IPOB has become an obstacle to the smooth running of SMEs in the region. It has badly destabilized market condition. Business operators no longer

order for the usual quantity of goods for the fear of not running into loss. Such has automatically made many business operators to operate below their usual capacity. In similar fashion, SMEs like saloons, phone repairers, computer repairers, photographers and the likes could not meet the demands of their clients because they also operate below capacity. Due to the numerous setbacks caused by the compulsory sit-at-home order, which comes with it unnecessary hardship, SMEs operators wished for an end to the sit-at-home order.

Conclusion

The study concluded that the IPOB's sit-at-home order had a damaging effect on the economy of the Southeast region. The states and the zone are becoming poorer due to the observance of the Monday sit-at-home order. The Monday sit-at-home order issued by IPOB is a major risk to the economic activities of the Southeast region of Nigeria. The Southeast region's economy, which is on the verge of collapse, will benefit greatly from the immediate termination of the sit-at-home edict.

Recommendations

- The study recommends that government should come to terms of agreement with the IPOB hierarchy to restore sound business environment for expected level of growth of SMEs in the Southeast region.
- The study also recommends that Saturdays should be officially recognized as working days to compensate to some extent for the productive hours loss on Mondays.

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