

An investigation of the impact of the cost of crime on small businesses in the Eastleigh urban area of Nairobi

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Abstract

In this study, I examined the need for information on Micro and Small Enterprises that could assist in identifying solutions to the many problems that affect the sector. Business crime was identified as one critical information gap that could be filled by undertaking a study to investigate the cost of crime and its other impacts on small businesses. The study was undertaken by administering a questionnaire on small business owners in the Eastleigh business district of Nairobi.

The evidence derived from this study has shown that business crime has manifested itself in the study area with an overwhelming 99.5% of respondents reporting to have experienced at least one criminal incident; the direct and indirect costs of crime are high; the businesses do not rely on the existing law-enforcement crime-prevention measures; the investment in additional preventive measures are a serious drain to scarce business resources; and failure to respond to small business crime will compound an already serious problem. The reported high rate of victimization is a call for action if the MSE sector is to meet the expectations of driving the country's economic growth and provide employment.