

**EFFECTS OF TERRORISM ACTIVITIES ON THE BUSINESS COMMUNITY IN  
NAIROBI COUNTY. THE CASE OF STAREHE DIVISION.**

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## ABSTRACT

This paper seeks to assess the effects of terrorism activities on the business institutions in Starehe Division in Nairobi County Kenya. Secondary data to show the direct impact of terrorism on the economy from 1998 to 2012 was used to affirm the hypothesis of this study and multiple regression models were used to ascertain the relationship between the study variables. It is proposed that terrorist activities in the country have negative impact on the business institution in Kenya. From literature review terrorism activities was seen to decrease the confidence of both internal and external investors to invest in economic activities in the region. The objective of the study was to examine the influence of terrorist attacks on business institutions in Starehe Division. This study was guided by the following specific objectives: to establish the influence of terrorist attacks on business strategies in Starehe division; to assess the effect of terrorist activities on employee's performance in starehe division and to determine the influence of the terrorist threats on internal and external investors. A descriptive analysis using both qualitative and quantitative methods will be used. A Sample population of 100 respondents will be selected through cluster sampling comprising of business owners and Police officers. The validity of the questionnaires will be ensured by careful review of the responses on the questionnaires. The questionnaires will be analyzed using both descriptive and inferential statistics and presented in form of tables, and graphs. Business institutions provide employment and economic prosperity in the country. The business institutions must be able to remain resilient in the face of adversity. It has been t that he cost of doing business had gone up due to the need to improve security measures. The attacks also reduced the staff productivity due to fear of attacks and uncertainty of job security due to reduced visitors thus compromising their ability to provide for their families. Flexibility of business institutions' ability to diversify and change strategies will help ensure business survival and economic prosperity.