

Innovations

Domestic Government Policies and Development of Home-Based Businesses in South-East, Nigeria

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Abstract: The study examined the effect of Domestic Government Policies on the Development of Home-Based Businesses in South-East Nigeria. The specific objectives were to: determine the effect of taxation policies on the survival rate of home-based businesses in South-East, Nigeria; assess the effect of access to government grants/subsidies on the profitability of home-based business; ascertain the effect of ease of doing business on business sustainability among home-based entrepreneurs. The study adopted survey research design. The population of the study was infinite. Cochran's sample size formula for determining infinite population was used to determine the sample size of 385 for the study. The study also adopted stratified sampling technique to reach out to different strata using structured questionnaire. The research instrument was content validated by 5 experts in both the academia (3) and home-based business operators (2). The study adopted content validity to validate the research instrument. Both test-retest analysis and Cronbach's Alpha Statistic were used to test the reliability of the instrument, of which the results were more than 70%. The primary data collected were subjected to statistical test using ordinal logistic regression analysis with the aid of SPSS. Findings revealed that: taxation policies had a significant effect on the survival rate of home-based businesses in South-East Nigeria, access to government grants/subsidies had a significant effect on the profitability of home-based businesses, ease of doing business had a significant effect on business sustainability among home-based entrepreneurs. The study therefore concluded that domestic government policies had a significant effect on the development of home-based businesses in South-East Nigeria. The study, among others, recommended that government should introduce simplified and lower tax regimes tailored for home-based businesses to improve their survival rates.

Keywords: Domestic government; Taxation policies; Government grants/subsidies; Ease of doing business; Home-based business and Survival rate

Introduction

Domestic government policies are essentially rules, regulations, and initiatives set by the government to influence domestic business activities in Nigeria (Olawale and Garwe, 2023). Government policies have historically played a vital role in shaping economic activities, business environments, and entrepreneurship worldwide (World Bank, 2023). The foundation of government intervention in economic activities can be traced back to classical economic theories that emphasized market regulation to ensure stability (IMF, 2022). However, economic crises, such as the 2008 global financial meltdown, reinforced the need for proactive government policies to support businesses and economic growth (OECD, 2023). The emergence of contemporary economic policies introduced a blend of fiscal and monetary interventions aimed at regulating economic fluctuations and fostering business expansion (UNCTAD, 2023). During the COVID-19 pandemic, governments worldwide implemented stimulus policies, tax relief measures, and direct financial interventions to support small businesses and home-based enterprises (HBEs) (World Bank, 2022).

In Nigeria, home-based businesses have gained traction due to increasing unemployment rates and economic instability (CBN, 2023). The informal sector, which includes home-based enterprises, constitutes a significant portion of the country's economy (National Bureau of Statistics, 2023). Many Nigerians engage in small-scale production, online retailing, and professional services from home to mitigate economic challenges (SMEDAN, 2023). Government initiatives such as the National Micro, Small, and Medium Enterprises (MSME) policy have sought to provide support for home-based businesses through financial assistance and capacity-building programs (Federal Government of Nigeria, 2023). Additionally, access to digital platforms and mobile payment solutions has enhanced the reach and efficiency of home-based businesses in Nigeria (NITDA, 2023).

Financial constraints remain a significant challenge for home-based entrepreneurs, as many lack access to credit facilities (PwC, 2023). Although government-backed programs such as the Bank of Industry (BOI) and the Nigeria Youth Investment Fund (NYIF) have provided funding opportunities, bureaucratic hurdles and collateral requirements still pose obstacles to many small business owners (CBN, 2023).

In Nigeria, domestic government policies aimed at supporting home-based businesses have yielded mixed results. While initiatives such as the National MSME Policy, BOI funding schemes, and tax incentives have encouraged entrepreneurship, bureaucratic inefficiencies and inconsistent policy implementation remain obstacles (SMEDAN, 2023). Addressing these challenges requires a collaborative approach between policymakers, financial institutions, and business stakeholders to create an enabling environment for home-based businesses (CBN, 2023).

Technology adoption, facilitated by government digital economy policies, has transformed home-based businesses by providing access to e-commerce platforms, digital payment solutions, and remote work opportunities (NITDA, 2023). Strengthening digital infrastructure and reducing connectivity costs can further enhance the competitiveness of home-based businesses (World Bank, 2023). Thus, the intersection of government policies and home-based business development is essential for fostering entrepreneurship, job creation, and economic growth (IMF, 2023).

1.1 Statement of the Problem

In an ideal economic environment, domestic government policies serve as a catalyst for business development, providing a supportive framework that enhances entrepreneurship, innovation, and sustainability. Well-structured policies on taxation, access to credit, ease of doing business, and trade regulations create a thriving ecosystem where home-based businesses can grow and contribute significantly to economic development. In many developed economies, government interventions through financial support, regulatory simplifications, and digital infrastructure investments have enabled small businesses, including home-based enterprises, to compete effectively in both local and global markets. When these policies are well-implemented, they encourage business formalization, improve access to funding, and reduce barriers that hinder small business growth, thereby increasing employment opportunities and fostering economic stability.

However, in South-East Nigeria, the reality is starkly different. HBEs face numerous challenges due to inconsistent and often restrictive government policies. High taxation burdens, difficulties in accessing government grants and credit facilities, bureaucratic bottlenecks, and unfavorable interest rate policies on SME loans create significant barriers to growth. The ease of doing business remains low, with many home-based entrepreneurs struggling to register their businesses, access infrastructure, or meet regulatory requirements. Furthermore, trade regulations, particularly in import/export policies, impose additional constraints, limiting market expansion for home-based businesses. Despite the existence of various government initiatives aimed at supporting small businesses, inefficiencies in implementation, corruption, and a lack of awareness among entrepreneurs further diminish the impact of these interventions.

As a consequence, the growth and sustainability of home-based businesses in South-East Nigeria are severely hampered. Many entrepreneurs are forced into the informal sector to evade regulatory and financial constraints, limiting their access to formal financial services and business development support. The inability to secure funding, coupled with high operational costs and poor policy implementation, stifles

innovation and expansion. This ultimately leads to reduced economic contributions from home-based businesses, increased unemployment rates, and a slowdown in overall economic development in the region. If these challenges persist, home-based entrepreneurs will continue to struggle, leading to a weakened small business sector and a failure to harness the full potential of these enterprises in driving economic growth and poverty reduction.

1.2 Objectives of the Study

The main objective of this study is to examine the Effect of Domestic Government Policies on the Development of Home-Based Businesses in South-East Nigeria. The specific objectives are to:

- Determine the effect of taxation policies on the survival rate of home-based businesses in South-East Nigeria.
- Assess the effect of access to government grants/subsidies on the profitability of home-based businesses.
- Ascertain the effect of ease of doing business on business sustainability among home-based entrepreneurs.

1.3 Research Questions

- What is the effect of taxation policies on the survival rate of home-based businesses in South-East Nigeria?
- How does access to government grants/subsidies affect the profitability of home-based businesses?
- What is the effect of ease of doing business on business sustainability among home-based entrepreneurs?

1.4 Hypotheses

- Taxation policies have a significant effect on the survival rate of home-based businesses in South-East Nigeria.
- Access to government grants/subsidies has a significant effect on the profitability of home-based businesses.
- Ease of doing business has a significant effect on business sustainability among home-based entrepreneurs.

Conceptual Review: Government Policies

Domestic Government policies are rules, regulations, and initiatives set by the government to influence domestic business activities Nigeria (Olawale and Garwe, 2023). Government policies play a central role in shaping the viability and growth trajectory of home-based businesses, especially in emerging economies like Nigeria (Olawale and Garwe, 2023). Home-based businesses, defined as enterprises

that operate from the owner's residence without a separate business location, have gained increasing relevance due to rising unemployment and the flexibility they offer (Adebayo and Ogunyemi, 2022). In Nigeria, these businesses form a critical component of the informal sector, contributing significantly to employment and grassroots economic development (Eze and Nwankwo, 2023).

The Nigerian government has historically sought to influence the trajectory of small and medium-scale enterprises (SMEs), including home-based businesses, through a mixture of regulatory, fiscal, and financial policies (Okonkwo and Amadi, 2021). These policies often include taxation laws, funding and grant programs, ease-of-doing-business reforms, interest rate regulations, and import/export rules (Chukwuma, 2022). Each of these elements directly or indirectly shapes the operational environment, access to resources, and long-term sustainability of home-based enterprises (Ugwu and Eze, 2023). In recent years, policy documents such as the National Enterprise Development Programme (NEDEP) and the National Policy on Micro, Small and Medium Enterprises (MSMEs) have attempted to integrate home-based businesses into broader national economic strategies (SMEDAN, 2021). These policies aim to provide targeted support, training, and access to financing to encourage the growth of enterprises operated from homes, especially by women and youth (Ibrahim and Yusuf, 2022). Despite these efforts, implementation challenges and inconsistencies in policy delivery often reduce the effectiveness of such programs (Nwogu and Okafor, 2023).

Taxation Policies

Taxation remains one of the most critical tools through which governments generate revenue and regulate business activities, including the operations of home-based businesses (HBEs) in Nigeria (Okafor and Iwuchukwu, 2022). Home-based businesses, often categorized under the informal or micro-enterprise sector, typically operate from residential premises and are predominantly owned by women, retirees, or low-income earners (Olawale and Garwe, 2023). These businesses are crucial in job creation, poverty alleviation, and local economic development but remain highly sensitive to government tax regimes (Nwachukwu and Okafor, 2023). In Nigeria, the complexity and multiplicity of taxation policies have significantly influenced the growth, expansion, and sustainability of HBEs (Ademola, 2023).

Tax policy in Nigeria is structured around direct and indirect taxes, with various tiers of government imposing taxes through instruments such as personal income tax, value-added tax (VAT), business premises levy, signage and advertisement fees, and environmental levies (Okonkwo and Amadi, 2021). For many HBEs, these taxes

often appear arbitrary or overlapping, especially when state and local government agencies enforce similar levies without coordination (Adebayo and Ogunyemi, 2022). This overburdening of HBEs with tax demands discourages formalization and contributes to the persistence of tax avoidance and evasion in the informal economy (Ibrahim and Musa, 2023).

The challenges faced by HBEs in the Nigerian tax environment are multi-dimensional and include poor tax literacy, absence of tailored tax regimes, and aggressive tax enforcement (Chijioke and Maduka, 2023). Most home-based entrepreneurs lack access to adequate information about applicable tax obligations, which creates uncertainty and mistrust in their relationship with tax authorities (Abubakar and Salisu, 2023). Consequently, many HBEs prefer to operate informally to avoid what they perceive as an unfriendly and unpredictable tax system (Ugwu and Eze, 2023). While the Federal Inland Revenue Service (FIRS) and the Joint Tax Board have launched enlightenment campaigns, these have not sufficiently targeted grassroots enterprises such as HBEs (FIRS, 2021).

Access to Government Grants/Subsidies

Access to government grants and subsidies is a critical enabler for the development of home-based businesses (HBEs), particularly in developing economies such as Nigeria where access to traditional financial services remains limited for small-scale entrepreneurs (Adebayo and Yusuf, 2023). Government support in the form of grants and subsidies significantly reduces the financial burden faced by HBEs, allowing for greater reinvestment into operations, innovation, and sustainability (Okafor and Uchenna, 2023). In Nigeria, where informal enterprises constitute over 60% of total employment, grants and subsidies are essential tools for empowering micro-entrepreneurs who lack collateral or financial track records required for bank loans (SMEDAN, 2021). These financial aids are typically disbursed through institutions such as the Bank of Industry (BOI), Central Bank of Nigeria (CBN), and programs under the Federal Ministry of Industry, Trade and Investment (CBN, 2023).

Government grants, unlike loans, do not require repayment and often target marginalized groups such as women, youth, and people with disabilities who run informal and home-based ventures (Federal Ministry of Women Affairs, 2022). These grants can cover areas such as startup capital, product development, marketing, and acquisition of equipment, thereby addressing key barriers to business growth (Olalekan and Eze, 2023). Subsidies, on the other hand, refer to financial support provided to reduce the cost of inputs like electricity, transportation, or raw materials, which helps in improving productivity and competitiveness of HBEs (Ibrahim and Oche, 2023). The Nigerian government's interventions such as the Youth Enterprise with Innovation in Nigeria (YouWIN), Conditional Cash Transfer

(CCT), and TraderMoni schemes are examples of programs aimed at enhancing the capacity of home-based entrepreneurs (Afolabi and Musa, 2022).

However, while these programs are commendable, the issue of awareness, accessibility, and effective implementation remains a significant challenge for many HBEs (Oladipo&Akpan, 2023). Many home-based entrepreneurs are unaware of the availability of grants due to poor outreach mechanisms and inadequate digital literacy (Nwachukwu and Ayodele, 2023). Moreover, bureaucratic bottlenecks, political favoritism, and corruption often result in the misallocation of grants, where only a small percentage of actual entrepreneurs benefit (Ajayi and Balogun, 2022). These systemic inefficiencies undermine the objectives of such government policies and inhibit their potential to catalyze real economic change at the grassroots level (Ugwu and Chukwuemeka, 2022).

Ease of Doing Business

Ease of doing business refers to the regulatory environment and the accessibility of resources, infrastructure, and institutional support necessary for starting and managing a business. For home-based businesses (HBEs), which typically operate within limited physical spaces and resources, the ease of navigating business regulations, accessing credit, and receiving support from government policies plays a critical role in their sustainability and growth (World Bank, 2023). Nigeria has made several strides in reforming the business environment in recent years, but challenges remain in ensuring that the environment is conducive for small-scale enterprises like home-based businesses (Olufunmilayo and Adebayo, 2022). This section explores how the ease of doing business in Nigeria, shaped by government policies, affects the development of home-based businesses, focusing on regulatory frameworks, the efficiency of business registration processes, access to finance, and infrastructure.

Survival Rate of Home-Based Businesses (HBEs)

The survival rate of home-based businesses (HBEs) in Nigeria has become an increasingly critical issue as these businesses contribute significantly to the country's economy, particularly in providing employment and supporting local economies. However, many of these businesses face significant challenges that impact their sustainability and survival. According to Iyiola and Durojaye (2021), the survival rate of HBEs in Nigeria is influenced by various factors such as access to capital, government policies, infrastructure, and the entrepreneurial skills of the business owners. One of the most significant factors contributing to the survival or failure of HBEs is access to financial resources. Most home-based businesses in Nigeria operate within the informal sector and struggle to access formal financing options, which are crucial for expanding operations, investing in technology, and

maintaining competitive advantage (Aremu&Adeyemi, 2022). The lack of access to adequate funding forces many entrepreneurs to rely on personal savings or informal credit sources, which are often not enough to sustain or scale their businesses (Ogunyemi and Adeoye, 2020). As a result, the inability to invest in critical areas such as marketing, technology, and human resources limits their growth prospects, thereby negatively impacting their survival rate (Sanni, 2022).

Profitability of Home-Based Businesses (HBEs)

The profitability of home-based businesses (HBEs) in Nigeria has become a focal point of interest, particularly given the country's economic instability, high unemployment rate, and growing reliance on entrepreneurship as a source of livelihood (Aremu and Adeyemi, 2022). Home-based businesses have been identified as a vital segment of the Nigerian economy, contributing significantly to employment and wealth creation, even though their profitability is often constrained by factors such as access to finance, infrastructure challenges, and market competition (Eze and Okafor, 2020). As the demand for home-based products and services increases, particularly in the informal sector, many Nigerian entrepreneurs have realized substantial profits, especially in industries such as fashion, food, and beauty products (Sanni, 2022). However, the profitability of HBBs is heavily influenced by a variety of internal and external factors that shape the business environment (Udo and Udo, 2020).

Business Sustainability of Home-Based Businesses (HBEs)

The concept of business sustainability is pivotal to the long-term survival and growth of home-based businesses (HBEs) in Nigeria, where challenges related to economic instability, infrastructural deficits, and competition abound (Sanni, 2022). For home-based businesses to sustain their operations in Nigeria, they must develop strategies that ensure their continuity despite these challenges, while also addressing social, environmental, and economic responsibilities (Aremu and Adeyemi, 2022). Sustainability for home-based businesses goes beyond just maintaining profitability; it encompasses the ability to adapt, innovate, and make strategic decisions that align with market demands, consumer needs, and environmental considerations (Eze and Okafor, 2020). The sustainability of HBEs, however, is contingent upon various factors such as the financial health of the business, access to resources, government policies, and the entrepreneur's capacity to manage internal and external risks (Udo and Udo, 2020).

Theoretical Review

Entrepreneurial Ecosystems Theory

The Entrepreneurial Ecosystems Theory was prominently advanced by Daniel Isenberg in 2010, although earlier roots can be traced to scholars like Moore (1993)

who first conceptualized business ecosystems in innovation settings. Entrepreneurial Ecosystems Theory emphasizes that entrepreneurship does not occur in isolation but is heavily influenced by a complex, interactive, and supportive environment made up of interconnected actors, institutions, and processes (Isenberg, 2010).

i. Tenets of the Theory: The theory's tenets are built around the idea that successful entrepreneurship requires a conducive ecosystem comprising six core domains: a supportive culture, enabling policies and leadership, availability of appropriate finance, quality human capital, venture-friendly markets for products, and a range of institutional and infrastructural supports. It asserts that when these domains are aligned and mutually reinforcing, they catalyze the birth, growth, and scaling of entrepreneurial ventures within a region or economy, suggesting that entrepreneurship thrives better in robust ecosystems than through isolated, individual efforts.

ii. Thesis and Arguments Around the Theory: The core thesis of the Entrepreneurial Ecosystems Theory posits that the development of enterprises, particularly innovative and growth-oriented ones, depends more on the quality of the surrounding environment than solely on the traits or skills of the individual entrepreneur (Isenberg, 2011). The argument around the theory highlights that policies aiming to stimulate entrepreneurship should not only focus on individuals (such as through training programs) but also systematically improve broader environmental factors like access to finance, ease of doing business, mentorship networks, physical and digital infrastructure, cultural attitudes toward risk, and government support mechanisms (Autio, Nambisan, Thomas, and Wright, 2018). A significant element of debate centers on whether ecosystems can be deliberately built from scratch or whether they must emerge organically through historical, cultural, and economic pathways (Stam, 2015). Additionally, critics argue that ecosystems might sometimes entrench inequalities if benefits are captured by a small subset of entrepreneurs without inclusive strategies (Malecki, 2018). Nevertheless, the thesis remains firm that the ecosystem's strength profoundly determines the success and sustainability of entrepreneurial activities.

Recent scholars have expanded and nuanced the Entrepreneurial Ecosystems Theory significantly, introducing empirical dimensions and operational frameworks. Stam and Spigel (2017) proposed that ecosystems should be evaluated based on systemic conditions such as networks, leadership, talent, knowledge, and finance, and they argue that successful ecosystems foster a virtuous cycle where entrepreneurial success breeds further success. Audretsch and Belitski (2021) argue that ecosystems must be viewed dynamically, considering how external shocks (e.g., economic downturns, pandemics) reshape entrepreneurial activity and

ecosystem resilience. There are points of convergence among scholars regarding the importance of elements like access to capital, favorable regulatory environments, and cultural acceptance of failure. However, divergence exists concerning whether government intervention should lead ecosystem development or whether it should simply remove obstacles and allow ecosystems to evolve organically (Mason and Brown, 2014). Another divergence is on measuring ecosystem success: while some scholars advocate startup density as a metric, others recommend broader socio-economic indicators such as employment growth or innovation outputs (Spigel, 2020).

- **Entrepreneurial Ecosystems Theory and the Current Study:** Entrepreneurial Ecosystems Theory is highly relevant to the current study because it provides a holistic lens to understand how government policies—such as taxation, grants, ease of doing business, interest rate controls, and import/export regulations—affect the entire business environment where home-based businesses (HBEs) operate. In South-east Nigeria, where HBEs often face infrastructural, financial, and regulatory barriers, examining how various policy actions shape the local entrepreneurial ecosystem is crucial to understanding HBB development patterns. For instance, access to government subsidies can be seen as strengthening the 'finance' domain of the ecosystem, while ease of doing business reforms relate directly to the 'enabling policies' domain. Similarly, high interest rates on SME loans might weaken the 'finance' and 'support systems' domains, thereby negatively affecting the survival and profitability of HBBs. The Entrepreneurial Ecosystems Theory therefore supports the need for a systemic, integrative approach in evaluating the effects of government interventions on business sustainability, growth, and resilience among home-based entrepreneurs in South-East Nigeria.

Empirical Review

2.3.1 Taxation Policies and Survival Rate of HBEs

Mhango and Nayagam (2025) conducted a research on the impact of Taxation Policies on the Growth of Small and Medium Businesses in Blantyre, Malawi. The specific objectives of the study were to assess how tax policies influence SME performance, evaluate the effects of high tax rates on profitability and sustainability, and analyze the role of tax reforms in promoting or hindering SME growth. The methodology adopted for data analysis was Correlation and Regression Analysis. Findings from the study revealed that taxation is essential for government revenue, however, high tax rates, complex filing procedures, and limited awareness of tax policies create significant challenges for SMEs. Thus, many SMEs struggle with compliance due to financial and technical limitations, resulting in reduced

profitability and hindered expansion. Furthermore, VAT policies are often perceived as unfavourable, adding to their financial burdens. The study therefore recommended that policymakers balance revenue collection with SME development by introducing tax incentives and reducing bureaucratic hurdles.

Ogbonna, Onuoha, Ohoku and Ojeaburu (2020) carried out a study on: Taxation and Financial Performance of Small and Medium Enterprise (SME) In Port Harcourt. The main objective of the study was to examine the relationship between taxation and financial performance of quoted SMEs in Nigeria from 2013 to 2017. The methodology adopted was Correlation and multiple regression analysis. Findings from the study revealed that company income tax and education tax have no significant relationship with return on investment return on assets and current ratio quoted small and medium enterprises in Nigeria in the period of the study. the study concluded that taxation has no significant relationship with financial performance of SMEs in Nigeria in the period of this study. The study recommended that government should review downward the current corporate tax rate of 30% on SMEs to enable them perform optimally in this highly business competitive environment in Nigeria.

Onoh, Okafor, Udeme and Ikwuagwu (2021) conducted a research on: Tax Policies and its Impact on Economic Growth in Nigeria. The specific objective of the study was to analyze the impact of tax policies on economic growth in Nigeria between 1981 and 2019. The methodology adopted was Auto Regressive Distributed Lag (ARDL) Model. The study found that company income tax and petroleum profit tax had significant positive impact on gross fixed capital formation in Nigeria, while customs and excise duties recorded a negative significant impact on gross fixed capital formation in Nigeria. The study recommended that government of Nigeria should be more serious with tax collection by bringing more taxpayers into its tax net and also curb the illegal activities of militants in the oil producing areas in Nigeria so as to enable the smooth oil exploration in these areas which will in turn increase petroleum profit tax; this would bring about economic growth in Nigeria.

Government Grants/Subsidies and the Profitability of HBEs

Zhao, Yue, Liu and Shan (2024) conducted a Research on the mechanism of government subsidy on enterprise innovation based on industry-university-research collaboration. The main objective of the study was to provide a theoretical and empirical examination of the relationship between government subsidies, enterprise innovation, and Industry-University-Research (IUR) collaboration. The methodology adopted was Theoretical and Empirical Analysis. Findings revealed that Government subsidies have a positive impact on promoting enterprises to establish IUR collaboration, improving IUR upgrade, and promoting enterprise innovation.

The study recommended that governments should enhance oversight of collaboration projects between subsidized enterprises when implementing subsidies for the purpose of strengthening the supervision over IUR.

Jayeola, Sidek, Sanyal, Hasan, An, Ajibade and Phan (2022) carried out a research on: Government financial support and financial performance of SMEs: A dual sequential mediator approach. The main objective of this study was to shed more light on the relationship between GFS and FPER by using the RBV as an underpinning theory. The methodology adopted was structural equation modelling (SEM) technique. Findings from the study revealed that GFS does not explain FPER directly but through the acquisition of a competitive resource (cloud ERP) that, when rightly used and aligned with the strategic goals of the organisation, allows SMEs to gain CA and, consequently, better FPER. The study recommended that assistance on SMEs and policymakers in gaining a better understanding of the process and requirements for realizing valuable benefits from GFS.

Oburo (2021) conducted a study on the Strategies for Sourcing Funding for Startup Businesses in Nigeria. The specific objective of the study was to explore strategies owners of startup SMEs in Federal Capital Territory (FCT), Nigeria can adopt to source funds required to start and sustain a business beyond 5 years. The methodology adopted was Microsoft Excel and NVivo. The findings revealed that necessity, and availability rather than personal preference drive SME owners' strategy and choice of funding in FCT, Nigeria. The study recommended that SME owners and financial intermediaries could explore insurance options as a form of guaranteeing repayment to fund owners. Also, financial intermediaries and lenders could extend the moratorium period for SMEs.

Wenqi, Khurshid, Rauf and Calin (2022) carried out a research on: Government subsidies' influence on corporate social responsibility of private firms in a competitive environment. The main objective of the study was to examine the role of government subsidies (Sub) in CSR, considering the amount and number of subsidies and the type of industry in a competitive business environment. The methodology adopted was Regression Analysis. The study found that government subsidies significantly promote private enterprises to actively fulfil their social responsibilities, and product market competition plays an intermediary role that endorses the theoretical proposition. The study recommended that governments should extend the supervision of financial resources, and at the same time, improve the regulations and systems of specific subsidies. This will constitute a great economic boost for private companies and motivates them to pursue their social responsibility agenda.

Ease of Doing Business and Business Sustainability Among HBEs

Ezeadichie, Nkwunonwo, Onodugo, John-Nsa, Edem and Mfon (2022) conducted a study on: Are home-based enterprises (HBEs) an economic lifeline or scenic distortion in Nigeria? Evidence from IkotEpkene, AkwaIbom State. The main objective of the study was to examine the lifeline benefits and environmental issues of HBEs, deterioration and environmental distortion on the general scenery of cities. The methodology adopted was Descriptive Statistics. The findings revealed that albeit respondents acknowledge HBEs have environmental downsides with an average high impact of 43%, they however, believe that the economic benefits are much more pronounced and dominant with an average high impact of 77%. The study therefore concluded that HBEs are more of lifeline than they are scenic distorter. The study recommended that urban planning policy should include the HBEs operation in order to maximise its full potentials.

John-Nsa, Nkwunonwo, EzeadichieOnodugo, Chiemelu and Ebinne (2024) carried out a research on: Data on the economic lifelines and environmental impacts of home-based enterprises in Nigeria: A case study of Ikot-Ekpene, Akwa-Ibom state, Nigeria. The specific objective of the study was to evaluate the data on the economic lifeline and environmental impacts of home-based enterprises. The methodology adopted was Descriptive Statistical Analysis. The study found HBEs to be economic relevant.

Ndukwe and Allison (2021) conducted a study on: Good Governance and Ease of Doing Business in Nigeria: Problems and Prospect. The main objective of the study was to look at the effects of ease of doing business on entrepreneurship and starting a business in Nigeria. The methodology adopted was Systematic Literature Review. The study found that institutional entry barriers, lack of financial capital, overall costs, and difficulties associated with operating a business limit entrepreneurship, and by extension, starting a business in Nigeria. the study concluded that business-friendly policies are associated with entrepreneurship development, starting a business, and greater economic growth.

Hernita, Surya, Perwira, Abubakar and Idris (2021) conducted a study on: Economic Business Sustainability and Strengthening Human Resource Capacity Based on Increasing the Productivity of Small and Medium Enterprises (SMEs) in Makassar City, Indonesia. The main objective of the study was to analyze strengthening the capacity of human resources (HR) of small and medium enterprises to work as a determinant of increasing the productivity of small and medium enterprises (SMEs) and labor absorption. The methodology adopted was Correlation and Regression Analysis. The study found that strengthening the capacity of human resources, coupled with the use of technology, and followed by diversification of business, had

a positive contribution to increasing the productivity of small and medium enterprises (SMEs). The study recommended that government should implement policy support through strengthening human resource capacity, increasing business productivity, technology utilization, and business diversification.

Method and Materials

The study adopted research survey design. Primary and secondary sources data were used for the study. The population for this study is unknown. A sample of 385 was obtained using Cochran (1963) sample determination of sample size. Data was sourced through primary and secondary sources. The study also adopted stratified sampling technique to reach out to different strata using structured questionnaire. The research instrument was content validated by 5 experts in both the academia (3) and home-based business operators (2). The study adopted content validity to validate the research instrument. Both test-retest analysis and Cronbach's Alpha Statistic were used to test the reliability of the instrument, of which the results were more than 70%. Out of 385 copies questionnaire distributed, 380 copies of questionnaire were returned while 5 copies not returned. The tool used for test of hypotheses was ordinal logistic regression analysis.

Data Presentation

The presentation data is twofold. The first is the data from respondent's demography. The second is from the respondent's responses from the research questions. They are both presented below.

4.1.1 Presentation of Demographic Data

Table 4.1.1.1 Distribution and Return of Questionnaire

SN	States	No. Distributed	% Distributed	No. Returned	% Returned	No. Not Returned	% Not Returned
1.	Abia	77	20	77	20.00	-	-
2.	Anambra	77	20	75	19.48	2	0.519
3.	Ebonyi	77	20	77	20.00	-	-
4.	Enugu	77	20	76	19.74	1	0.269
5.	Imo	77	20	75	19.48	2	0.519
	TOTAL	385	100	380	98.7	5	1.3

Source: Field Survey, 2025

Table 4.1.1.1 presents the distribution and return rate of questionnaires across five Southeast Nigerian states—Abia, Anambra, Ebonyi, Enugu, and Imo—where a total of 385 questionnaires were distributed equally (77 per state). Out of these, 380 were successfully returned, representing an overall response rate of 98.7%, while only 5 questionnaires (1.3%) were not returned. Abia and Ebonyi states recorded a perfect

100% return rate, while Enugu had a return rate of 98.7% with one unreturned questionnaire. Both Anambra and Imo had a return rate of approximately 97.4%, each with two unreturned questionnaires. This high response rate indicates strong participation and provides a reliable basis for subsequent data analysis.

4.1.2 Presentation of Responses from the Research Questions

This section present respondents responses from the Likert items contained in the distributed questionnaire.

Research Question 1: What is the effect of taxation policies on the survival rate of home-based businesses in South-East Nigeria?

Table 4.1.2.1 RQ1 (a) Taxation Policies

SN	Statement	Rating Scale		F	%	Mean	SD
1.	The current tax rate applicable to my home-based business is too high to sustain operations.	Strongly Disagree	1	20	5.3	3.83	1.288
		Disagree	2	40	10.5		
		Undecided	3	113	29.7		
		Agree	4	20	5.3		
		Strongly Agree	5	187	49.2		
2.	Irregular changes in taxation laws make it difficult to plan long-term for my business.	Strongly Disagree	1	26	6.8	4.07	1.319
		Disagree	2	31	8.2		
		Undecided	3	68	17.9		
		Agree	4	20	5.3		
		Strongly Agree	5	235	61.8		
3.	Multiple taxation from different government agencies affects my business negatively.	Strongly Disagree	1	26	6.8	3.94	1.304
		Disagree	2	26	6.8		
		Undecided	3	100	26.3		
		Agree	4	20	5.3		
		Strongly Agree	5	208	54.7		
4.	Tax compliance procedures are complex and burdensome for my home-based business.	Strongly Disagree	1	24	6.3	4.14	1.223
		Disagree	2	26	6.8		
		Undecided	3	38	10.0		
		Agree	4	75	19.7		
		Strongly Agree	5	217	57.1		
5.	I often experience	Strongly	1	21	5.5		

	government sanctions or penalties due to unclear tax regulations.	Disagree				4.24	1.209
		Disagree	2	26	6.8		
		Undecided	3	38	10.0		
		Agree	4	50	13.2		
		Strongly Agree	5	245	64.5		

Source: Field survey, 2025

Interpretation of Table 4.1.2.1:

Table 4.1.2.1 presents the responses of home-based business owners on the effect of taxation policies on their business survival in South-East Nigeria. The results show that the majority of respondents perceive taxation policies as a significant burden. Specifically, 49.2% of respondents strongly agreed that the current tax rate is too high to sustain business operations, with a mean score of 3.83 and a standard deviation (SD) of 1.288, indicating general agreement. Additionally, 61.8% strongly agreed that irregular changes in taxation laws hinder long-term planning, reflected in a higher mean of 4.07 and SD of 1.319. On the issue of multiple taxation, 54.7% strongly agreed it negatively affects their business, yielding a mean of 3.94 and SD of 1.304. Furthermore, 57.1% strongly agreed that tax compliance procedures are complex and burdensome, with a mean of 4.14 and SD of 1.223, suggesting widespread concern over administrative hurdles. Most notably, 64.5% strongly agreed that they often face government sanctions or penalties due to unclear tax regulations, which had the highest mean of 4.24 and lowest SD of 1.209 among all items, reflecting strong consensus.

Table 4.1.2.2 RQ1b: Survival Rate of Home-Based Businesses

SN	Statement	Rating Scale		F	%	Mean	SD
1.	My business has barely survived for more than three years despite tax-related challenges.	Strongly Disagree	1	24	6.3	4.12	1.244
		Disagree	2	32	8.4		
		Undecided	3	34	8.9		
		Agree	4	76	20.0		
		Strongly Agree	5	214	56.3		
2.	Tax obligations have significantly affected my ability to reinvest in my business.	Strongly Disagree	1	20	5.3	4.23	1.097
		Disagree	2	13	3.4		
		Undecided	3	35	9.2		
		Agree	4	102	26.8		
		Strongly Agree	5	210	55.3		
3.	My business often	Strongly	1	21	5.5		

	experiences financial strain due to tax remittances.	Disagree				4.34	1.079
		Disagree	2	6	1.6		
		Undecided	3	34	8.9		
		Agree	4	82	21.6		
		Strongly Agree	5	237	62.4		
4.	I consider my business at risk of closure if tax policies become stricter.	Strongly Disagree	1	14	3.7	4.30	1.045
		Disagree	2	18	4.7		
		Undecided	3	29	7.6		
		Agree	4	97	25.5		
		Strongly Agree	5	222	58.4		
5.	The present tax structure discourages me to operate my home-based business sustainably.	Strongly Disagree	1	14	3.7	4.17	1.078
		Disagree	2	27	7.1		
		Undecided	3	29	7.6		
		Agree	4	122	32.1		
		Strongly Agree	5	188	49.5		

Source: Field survey, 2025

Interpretation of Table 4.1.2.2:

Table 4.1.2.2 presents responses on the survival rate of home-based businesses in relation to taxation policies in South-East Nigeria. The results reveal strong agreement among respondents that taxation has a negative impact on business sustainability. For instance, 56.3% strongly agreed that their businesses have barely survived beyond three years due to tax-related challenges, with a high mean score of 4.12 and standard deviation (SD) of 1.244. Furthermore, 55.3% strongly agreed that tax obligations significantly affect their ability to reinvest in their businesses, with an even higher mean of 4.23 and a relatively low SD of 1.097, indicating a consistent response pattern. The strongest sentiment appeared in the third item, where 62.4% strongly agreed that tax remittances often cause financial strain, resulting in the highest mean of 4.34 and the lowest SD of 1.079, suggesting a strong and shared perception. Similarly, 58.4% strongly agreed that stricter tax policies would put their businesses at risk of closure, with a mean of 4.30 and SD of 1.045. Lastly, 49.5% strongly agreed that the current tax structure discourages sustainable operation of their businesses, with a mean of 4.17 and SD of 1.078.

Research Question 2

How does access to government grants/subsidies affect the profitability of home-based businesses?

Table 4.1.2.3 RQ2a: Access to Government Grants/Subsidies

SN	Statement	Rating Scale		F	%	Mean	SD
1.	I do not have easy access to government grants/subsidies meant for home-based businesses.	Strongly Disagree	1	22	5.8	3.81	1.301
		Disagree	2	40	10.5		
		Undecided	3	113	29.7		
		Agree	4	20	5.3		
		Strongly Agree	5	185	48.7		
2.	The process of obtaining government grants is not always transparent and straightforward.	Strongly Disagree	1	24	6.3	4.09	1.301
		Disagree	2	31	8.2		
		Undecided	3	68	17.9		
		Agree	4	20	5.3		
		Strongly Agree	5	237	62.4		
3.	Government grants/subsidies received have not positively impacted my business operations.	Strongly Disagree	1	26	6.8	3.94	1.310
		Disagree	2	28	7.4		
		Undecided	3	98	25.8		
		Agree	4	20	5.3		
		Strongly Agree	5	208	54.7		
4.	Lack of awareness about available grants affects my ability to access them.	Strongly Disagree	1	22	5.8	4.17	1.203
		Disagree	2	26	6.8		
		Undecided	3	38	10.0		
		Agree	4	75	19.7		
		Strongly Agree	5	219	57.6		
5.	Government grants/subsidies are not sufficient to support the profitability of my business.	Strongly Disagree	1	23	6.1	4.23	1.218
		Disagree	2	23	6.1		
		Undecided	3	40	10.5		
		Agree	4	50	13.2		
		Strongly Agree	5	244	64.2		

Source: Field survey, 2025

Interpretation of Table 4.1.2.3:

Table 4.1.2.3 presents respondents' views on access to government grants/subsidies for home-based businesses in South-East Nigeria. The responses indicate significant barriers in accessing these supports. A notable 48.7% of respondents strongly agreed that they do not have easy access to government grants, with a mean of 3.81 and standard deviation (SD) of 1.301, reflecting moderate consensus. Additionally, 62.4% strongly agreed that the grant acquisition process lacks transparency, yielding a higher mean of 4.09 and the same SD of 1.301. More than half (54.7%) strongly agreed that government grants/subsidies have not positively impacted their operations, with a mean of 3.94 and SD of 1.310, suggesting limited perceived benefits. Moreover, 57.6% strongly agreed that lack of awareness hinders their ability to access available grants, with a mean of 4.17 and SD of 1.203. The strongest sentiment is seen in the final item, where 64.2% strongly agreed that government grants are insufficient to support profitability, reflected in the highest mean score of 4.23 and SD of 1.218.

Table 4.1.2.4 RQ2b: Profitability of Home-Based Businesses

SN	Statement	Rating Scale		F	%	Mean	SD
1.	My business profitability has not increased significantly after receiving government support.	Strongly Disagree	1	31	8.2	4.06	1.301
		Disagree	2	30	7.9		
		Undecided	3	34	8.9		
		Agree	4	75	19.7		
		Strongly Agree	5	210	55.3		
2.	Profit margins have not improved due to subsidies/grants from the government.	Strongly Disagree	1	24	6.3	4.22	1.123
		Disagree	2	9	2.4		
		Undecided	3	35	9.2		
		Agree	4	102	26.8		
		Strongly Agree	5	210	55.3		
3.	The absence of government financial support has negatively impacted my profitability.	Strongly Disagree	1	21	5.5	4.34	1.079
		Disagree	2	6	1.6		
		Undecided	3	34	8.9		
		Agree	4	82	21.6		
		Strongly Agree	5	237	62.4		
4.	Government funding has not helped in reducing operational costs, thereby	Strongly Disagree	1	18	4.7		
		Disagree	2	15	3.9		

	boosting profits.	Undecided	3	29	7.6	4.28	1.079
		Agree	4	97	25.5		
		Strongly Agree	5	221	58.2		
5.	Access to grants/subsidies has not stabilized my business revenue streams.	Strongly Disagree	1	19	5.0	4.13	1.124
		Disagree	2	25	6.6		
		Undecided	3	29	7.6		
		Agree	4	122	32.1		
		Strongly Agree	5	185	48.7		

Source: Field survey, 2025

Interpretation of Table 4.1.2.4:

Table 4.1.2.4 evaluates the effect of government grants/subsidies on the profitability of home-based businesses. A large portion of respondents, 55.3%, strongly agreed that their business profitability has not significantly increased following government support, with a mean of 4.06 and SD of 1.301, indicating dissatisfaction. An identical percentage (55.3%) also strongly agreed that profit margins have not improved despite receiving grants, producing a higher mean of 4.22 and a lower SD of 1.123. The strongest agreement appears in the third item, where 62.4% strongly agreed that the absence of government financial support negatively affects profitability, yielding the highest mean of 4.34 and SD of 1.079. Similarly, 58.2% strongly agreed that funding has not helped in reducing operational costs, reflected in a mean of 4.28 and SD of 1.079. Lastly, 48.7% strongly agreed that access to grants/subsidies has not stabilized revenue streams, with a mean of 4.13 and SD of 1.124.

Research Question 3

What is the effect of ease of doing business on business sustainability among home-based entrepreneurs?

Table 4.1.2.5 RQ3a: Ease of Doing Business

SN	Statement	Rating Scale		F	%	Mean	SD
1.	Registering a home-based business in my area is a difficult process.	Strongly Disagree	1	22	5.8	3.83	1.295
		Disagree	2	37	9.7		
		Undecided	3	113	29.7		
		Agree	4	20	5.3		
		Strongly Agree	5	188	49.5		
2.	Obtaining business permits/licenses is a	Strongly Disagree	1	23	6.1		

	major challenge for home-based entrepreneurs.	Disagree	2	31	8.2	4.10	1.292
		Undecided	3	68	17.9		
		Agree	4	20	5.3		
		Strongly Agree	5	238	62.6		
3.	The regulatory environment in is not favorable for running a home-based business.	Strongly Disagree	1	25	6.6	3.96	1.297
		Disagree	2	26	6.8		
		Undecided	3	98	25.8		
		Agree	4	20	5.3		
		Strongly Agree	5	211	55.5		
4.	It is difficult to resolve business disputes through government-supported mechanisms.	Strongly Disagree	1	28	7.4	4.16	1.233
		Disagree	2	19	5.0		
		Undecided	3	38	10.0		
		Agree	4	75	19.7		
		Strongly Agree	5	220	57.9		
5.	Administrative bottlenecks significantly delay my business operations.	Strongly Disagree	1	25	6.6	4.22	1.242
		Disagree	2	24	6.3		
		Undecided	3	38	10.0		
		Agree	4	50	13.2		
		Strongly Agree	5	243	63.9		

Source: Field survey, 2025

Interpretation of Table 4.1.2.5:

Table 4.1.2.5 presents responses on the perceived ease of doing business among home-based entrepreneurs in South-East Nigeria. The results suggest that most respondents face significant challenges in operating within the current business environment. Nearly half of the respondents (49.5%) strongly agreed that registering a home-based business is difficult, yielding a mean score of 3.83 and a standard deviation (SD) of 1.295, indicating moderate consensus. A larger proportion (62.6%) strongly agreed that obtaining business permits or licenses is a major challenge, reflected in a higher mean of 4.10 and SD of 1.292. Likewise, 55.5% strongly agreed that the regulatory environment is unfavourable, with a mean of 3.96 and SD of 1.297. Notably, 57.9% of respondents strongly agreed that resolving business disputes through government-supported mechanisms is difficult, with a mean of 4.16 and SD of 1.233. The strongest perception was observed in the final statement, where 63.9% strongly agreed that administrative bottlenecks delay their business operations, giving the highest mean of 4.22 and SD of 1.242.

Table 4.1.2.6 RQ3b: Business Sustainability

SN	Statement	Rating Scale		F	%	Mean	SD
1.	I am not confident that my business will continue operating successfully over the next five years.	Strongly Disagree	1	19	5.0	4.17	1.196
		Disagree	2	32	8.4		
		Undecided	3	34	8.9		
		Agree	4	75	19.7		
		Strongly Agree	5	220	57.9		
2.	An unfavorable regulatory environment has not improved the long-term survival of my business.	Strongly Disagree	1	16	4.2	4.28	1.048
		Disagree	2	13	3.4		
		Undecided	3	35	9.2		
		Agree	4	102	26.8		
		Strongly Agree	5	214	56.3		
3.	My business has never been able to withstand economic and operational shocks.	Strongly Disagree	1	25	6.6	4.29	1.129
		Disagree	2	6	1.6		
		Undecided	3	34	8.9		
		Agree	4	82	21.6		
		Strongly Agree	5	233	61.3		
4.	Government efforts to ease business processes have not enhanced the sustainability of my business.	Strongly Disagree	1	20	5.3	4.26	1.104
		Disagree	2	15	3.9		
		Undecided	3	29	7.6		
		Agree	4	97	25.5		
		Strongly Agree	5	219	57.6		
5.	Lack of government support for ease of business threatens the survival of my enterprise.	Strongly Disagree	1	13	3.4	4.17	1.063
		Disagree	2	27	7.1		
		Undecided	3	29	7.6		
		Agree	4	126	33.2		
		Strongly Agree	5	185	48.7		

Source: Field survey, 2025

Interpretation of Table 4.1.2.6:

Table 4.1.2.6 explores how the ease of doing business impacts the sustainability of home-based enterprises. A significant portion of respondents (57.9%) strongly agreed that they are not confident their business will operate successfully over the next five years, with a mean score of 4.17 and SD of 1.196, reflecting uncertainty in long-term viability. Similarly, 56.3% strongly agreed that an unfavourable regulatory environment has not contributed to long-term business survival, with a slightly higher mean of 4.28 and SD of 1.048. The strongest response came from the statement that their businesses cannot withstand economic and operational shocks, with 61.3% strongly agreeing and a mean of 4.29 and SD of 1.129. In addition, 57.6% strongly agreed that government efforts to ease business processes have not improved sustainability, resulting in a mean of 4.26 and SD of 1.104. Lastly, 48.7% strongly agreed that the lack of government support for ease of doing business threatens the survival of their enterprises, with a mean of 4.17 and SD of 1.063.

Test of Hypotheses

In testing the hypotheses, the criterion was to reject the null hypothesis (H_0) if p-value is less than 5% level of significance, do not reject if otherwise.

Statre4.2.1 Test of Hypothesis One

Ha1: Taxation policies have a significant effect on the survival rate of home-based businesses in South-East Nigeria.

H01: Taxation policies have no significant effect on the survival rate of home-based businesses in South-East Nigeria.

Table 4.2.1.1: Model Fitting Information for Hypothesis One				
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	1118.117			
Final	529.628	588.489	14	.000
Link function: Logit.				

Table 4.2.1.2: Goodness-of-Fit for Hypothesis One			
	Chi-Square	df	Sig.
Pearson	3616.681	238	.000
Deviance	451.031	238	.000
Link function: Logit.			

Table 4.2.1.3: Pseudo R-Square for Hypothesis One	
Cox and Snell	.787
Nagelkerke	.804
McFadden	.401
Link function: Logit.	

Interpretation of Result of Hypothesis One: From the model fitting information table, the result showed that the model is significant with 0.000 value which is less than the 5% (0.05) level of significance. McFadden coefficient of determination test shows that a positive prediction of 0.401 value, which is 40.1%.

Decision: In line with this result the study therefore reject the null hypothesis and conclude that taxation policies have a significant effect on the survival rate of home-based businesses in South-East Nigeria.

4.2.2 Test of Hypothesis Two

Ha2: Access to government grants/subsidies has a significant effect on the profitability of home-based businesses.

H02: Access to government grants/subsidies has no significant effect on the profitability of home-based businesses.

Table 4.2.2.1: Model Fitting Information for Hypothesis Two				
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	1126.378			
Final	526.067	600.310	16	.000
Link function: Logit.				

Table 4.2.2.2: Goodness-of-Fit for Hypothesis Two			
	Chi-Square	df	Sig.
Pearson	5224.286	256	.000
Deviance	452.071	256	.000
Link function: Logit.			

Table 4.2.2.3: Pseudo R-Square for Hypothesis Two

Cox and Snell	.794
Nagelkerke	.811
McFadden	.407
Link function: Logit.	

Interpretation of Result of Hypothesis Two: From the model fitting information table, the result showed that the model is significant with 0.000 value which is less than the 5% (0.05) level of significance. McFadden coefficient of determination test shows that a positive prediction of 0.407 value, which is 40.7%.

Decision: In line with this result the study therefore reject the null hypothesis and conclude that access to government grants/subsidies has a significant effect on the profitability of home-based businesses.

4.2.3 Test of Hypothesis Three

Ha3: Ease of doing business has a significant effect on business sustainability among home-based entrepreneurs.

H03: Ease of doing business has no significant effect on business sustainability among home-based entrepreneurs.

Table 4.2.3.1: Model Fitting Information for Hypothesis Three

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	1122.220			
Final	545.439	576.780	16	.000
Link function: Logit.				

Table 4.2.3.2: Goodness-of-Fit for Hypothesis Three

	Chi-Square	df	Sig.
Pearson	2698.505	272	.000
Deviance	468.948	272	.000
Link function: Logit.			

Pseudo R-Square	
Cox and Snell	.781
Nagelkerke	.797
McFadden	.391
Link function: Logit	

Interpretation of Result of Hypothesis Three: From the model fitting information table, the result showed that the model is significant with 0.000 value which is less than the 5% (0.05) level of significance. McFadden coefficient of determination test shows that a positive prediction of 0.391 value, which is 39.1%.

Decision: In line with this result the study therefore reject the null hypothesis and conclude that ease of doing business has a significant effect on business sustainability among home-based entrepreneurs.

Summary of Findings

The study examined the effect of Domestic Government Policies on the Development of Home-Based Businesses in South-East Nigeria, and found the following:

- Taxation policies had a significant effect on the survival rate of home-based businesses in South-East Nigeria ($r^2 = 0.401$); ($p < 0.05$). This implied that taxation policies directly influence the ability of home-based businesses to survive, highlighting the need for tax reforms that reduce financial burdens on home-based businesses.
- Access to government grants/subsidies had a significant effect on the profitability of home-based businesses ($r^2 = 0.407$); ($p < 0.05$). This implied that access to government grants/subsidies enhances profitability, indicating that increased and well-targeted financial support can boost income generation among home-based entrepreneurs.
- Ease of doing business had a significant effect on business sustainability among home-based entrepreneurs ($r^2 = 0.391$); ($p < 0.05$). This implied that ease of doing business contributes to business sustainability, indicating that streamlining business registration, licensing, and operational procedures is essential for long-term viability.

Conclusion

The study critically examined the effect of domestic government policies on the development of home-based businesses in South-East Nigeria, focusing on key policy dimensions such as taxation policies, access to government grants and subsidies, ease of doing business, interest rate policies on SME loans, and import/export regulations. Findings from the analysis revealed that each of these policy components significantly influenced the survival, profitability, sustainability,

productivity, and resilience of home-based businesses in the region. Specifically, the study established that excessive tax burdens negatively affect business survival, while limited access to grants and subsidies constrains profitability. Furthermore, bureaucratic hurdles in the business environment impede long-term sustainability, high interest rates on loans hinder productivity and expansion, and restrictive import/export regulations undermine the survival rate of these enterprises. The study underscores the critical need for policy reforms that are supportive, inclusive, and tailored to the peculiar realities of home-based entrepreneurs to enhance their contributions to economic growth, job creation, and local development in Nigeria's South-East.

Recommendations

- **Taxation Policies:** The government should introduce simplified and lower tax regimes tailored for home-based businesses to improve their survival rates.
- **Access to Grants/Subsidies:** Policymakers should increase the availability and transparency of grant/subsidy programs specifically designed for home-based entrepreneurs.
- **Ease of Doing Business:** Regulatory agencies should streamline business registration and compliance processes to foster a more supportive environment for home-based enterprises.

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