The Effect of Government Policies on the Survival of Small Businesses: Evidence from Nigeria

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ABSTRACT

This research investigates the effect of government policies on the survival of small businesses in Nigeria, focusing on three key areas: government credit policy, tax policy, and licensing policy. Specifically, the study examines how each of these policies affects the sustainability of small businesses in the context of the frozen fish sector in Enugu Metropolis. The firms included in the study are Up Town Frozen Fish & Meat Shop, Lizzy Fish Shop, Conyfrost Coldroom, Titus Fish Frozen, and Fresh & Frozen Seafoods and Poultry. Using a descriptive survey design, the study gathered primary data through a structured questionnaire from a sample of 124 respondents. Data analysis was conducted using descriptive statistics and regression analysis with the aid of SPSS Version 25, at a 5% significance level, complemented by a SWOT analysis. The findings reveal that while government credit policies have a significant positive impact on the survival of small businesses, government tax and licensing policies show no substantial effect. The study concludes that while government regulations influence small business survival in Nigeria, certain policies, particularly those related to taxation and licensing, may need reevaluation to minimize negative impacts. The research recommends that governments at all levels revisit these regulations to foster a more supportive environment for small businesses, particularly in Enugu State.

Keywords: *Government policies, credit policy, tax policy, licensing policy, and small businesses survival*

INTRODUCTION

Small enterprises (SEs) are widely regarded as key engines of economic growth, employment creation, and creativity. As to the World Bank, SEs generates up to forty percent of national revenue in emerging nations and account for ninety percent of businesses globally (World Bank, 2021). Governments across the globe play a vital part in forming the business environment through policies that directly impact the growth and sustainability of these enterprises (ILO, 2022). Recent shifts in fiscal and regulatory policies, particularly in response to global economic challenges such as the COVID-19 pandemic and inflationary pressures, have intensified the need for targeted government interventions to support small businesses (World Bank, 2021). However, the effectiveness of these policies often varies, influenced by the unique socio-economic contexts of different nations. According to UN reports Micro-Small and Medium-sized Enterprises (MSMEs) continue to be the backbone of the economy in the majority of civilisations, making up 90% of enterprises, over 70% of jobs, and 50% of global GDP (United Nations, 2024).

In Africa, SMEs constitute approximately 80% of businesses and employ over 50% of the workforce, according to the African Development Bank (AfDB, 2021). Despite their significance, small businesses in the region face considerable challenges, including limited access to finance, poor infrastructure, and bureaucratic hurdles (Mohammed & Bunyaminu, 2021).Governments within the region have implemented various policies aimed at fostering SME development, such as tax incentives, loan schemes, and capacity-building programs. However, the effectiveness of these interventions has been mixed, with many SMEs struggling to survive due to systemic issues, political instability, and inconsistent policy implementation. SMEs are crucial to sub-Saharan Africa's (SSA) economic development, growth, and employment creation (Williams and et al, 2025). Countries like Nigeria, South Africa, and Kenya have taken notable steps to prioritize SME growth, albeit with varying degrees of success.

In Nigeria, SMEs are credited as a vital part of the economy and have emerged as important sources of employment, employing a sizable portion of the workforce, where unemployment rates have long been a problem. They have also made a significant contribution to job creation and poverty reduction (Oluremi & Maku, 2024). The Nigerian Bureau of Statistics (NBS) reports that SEs make up over 96% of Nigerian businesses and contribute 50% of the nation's GDP (NBS, 2022).

According to the 2022 Nigerian MSME Report, nearly 95% of SMEs shut down within the first five years of operation. Additionally, Adeforiti (2023) noted that the number of SMEs in Nigeria declined from approximately

41,543,028 units in 2017 to 39,654,385 units in 2020, reflecting a reduction rate of 4.5% over this period. This ongoing decline has contributed significantly to the challenges facing Nigeria's economy, including high unemployment, persistent poverty, and low economic growth. One of the main factors influencing the survival and growth of small enterprises (SEs) is government regulations, which play a crucial role in developing policies to support their development (Obananya, 2022).

Policies can develop solutions for issues facing small businesses while recognising the interests of different groups that are connected to the business and are occasionally referred to as applicants for the operation. Obananya (2022) anticipated that different levels of government enact labour and antitrust laws, mandate product labelling, impose taxes, and implement a host of other rules and controls. The importance of government policymaking and national policy goals include raising output, lowering inflation, cutting employment, reducing economic inequality, and creating a trade balance. The government ensures policies in order to guarantee the possibility and implementation of defined objectives.

The importance of the small company sector to a country's economic growth and attempts to fight poverty is well known. Small businesses are the cornerstone of economic growth, job creation, and poverty reduction in emerging countries. They have been the vehicle for achieving quick industrialization and increased economic prosperity. Remarkably, small businesses have been acknowledged as a source of growth for large-scale enterprises (Orga, et al., 2020). Small-scale business owners in this industry face numerous challenges that restrict their long-term survival and growth, despite the valuable contributions made by these enterprises. Academics have suggested that beginning a business is a stressful endeavour and caution that small business owners in Nigeria have a slim chance of success.

Even with government support and incentive programmes for small businesses, one would think that in Nigeria, these enterprises would expand and thrive. However, the rate of business failure keeps rising due to various obstacles to business performance, such as a lack of capital, lack of managerial expertise, unfavourable environment, statutes and ordinances, overall economic circumstances, and essential components including poverty, corruption, insufficient amenities, and a shortage of demand for goods and services generated locally are all factors (Wasiu, 2019). Additional factors include the scarcity of raw materials, poor financial resources, incompetent management, difficulty controlling expenses, and issues with the dumping of low-cost imported goods (Orga, et al., 2020).

A recent survey indicates that almost eighty percent of Small Enterprises fail before they reach 5 years of existence. These failures are attributed to unfavourable economic conditions, limited capital availability, and inadequate corporate governance that prevent small businesses from growing and changing. It also said that, despite economic growth and the potential for economic opportunities, there were barriers in the Nigerian business climate that limit the ability of businesses to survive in the country (Edidiong, 2023). It found that one of the main obstacles that have harmed a lot of the nation's small enterprises is the existence of double taxation. Exactly thirty-nine of the one-hundred and nineteen fees and charges permitted by the taxes and levies (Approved list of collection) Act 1998 were really being charged by different levels of government, according to a survey that was recently conducted by MAN (Manufacturers Association of Nigeria).

Two factors affect small enterprises' ability to survive: internal and external variables. Fundamental economic problems that arise outside the control of the company and affect its ability to do business are known as external factors. Fundamental business elements that arise within the organisation and affect how it does business are referred to as internal factors (Sarah, 2023). Competitors, culture, technology, infrastructure, and government policy are examples of external drivers; entrepreneur abilities, dedication, resource, and strategic decision are examples of internal ones. In light of this, the study examines the impact of these recent legislative changes on the viability of small businesses, highlighting the advantages, restrictions, and potential areas for development in Nigeria's policy framework with a particular focus on the frozen fish industry in Enugu Metropolis.

As a major source of protein for the populace, the frozen fish industry is vital to Enugu Metropolis' local economy and food supply chain. Being a sector of small businesses, it is an important portion of the informal economy, which is extremely susceptible to government regulations, especially those pertaining to financing, taxes, and licensing. The study adds significant knowledge to the larger problem of small company sustainability in Nigeria by examining how government loan, tax, and licensing policies affect these companies.

Statement of the Problem

Due to the inherent risk of entrepreneurship, managing a small business is not for the faint of heart. Successful entrepreneurs must be able to lower risks specific to their company and launch a product or service at a price that meets consumer demand. Insufficient finance or cash, employing the incorrect management team, having a poor infrastructure or business strategy, and creating unsuccessful marketing campaigns are the most common reasons why small businesses fail. Small businesses might suffer from a lack of expertise in business administration, poorly thought out business strategy that can cause problems even after the company opens for business, and a reluctance to delegate. Inadequate promotion and exposure, badly planned or executed marketing campaigns, and other issues are some of the other issues that small businesses face. In order to reduce the gap, this study assessed how government policies affected small-scale business survival in Nigeria.

Objective of the Study

The specific aim of the study include to:

i. Examine the effect of government credit policy on the survival of small businesses in Nigeria.
ii. Determine the effect of government tax policy on the survival of small businesses in Nigeria.
iii. Assess the effect of government licensing policy on the survival of small businesses in Nigeria.

Research Questions

i. What is the effect of government credit policy on the survival of small businesses in Nigeria?
ii. How does government tax policy affect the survival of small businesses in Nigeria?
iii. To what extent does government licensing policy affect the survival of small businesses in Nigeria?

Statement of Hypotheses

H_{o1}: Government credit policy has no significant positive effect on the survival of small businesses in Nigeria

H_{o2}: Government tax policy has no significant positive effect on the survival of small businesses in Nigeria.

H_{o3}: Government licensing policy has no significant positive effect on the survival of small businesses in Nigeria.

REVIEW OF RELATED LITERATURE

Conceptual Review

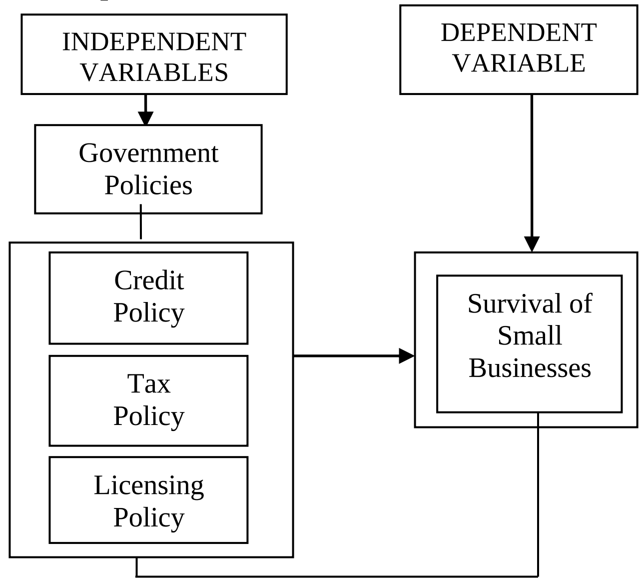

Figure 1: Author’s Conceptual Model, 2025

Government Policies

Government policies are laws and guidelines that support the establishment and long-term sustainability of commercial companies. Some regulations directly affect company owners, while others are targeted at certain industries. For instance, in Nigeria, agro-allied businesses usually enjoy tax exemptions for the first five years of their existence. While small businesses are not subject to taxes, certain firms do get subsidies. Moreover, regulations that prohibit the importation of manufactured products often serve to protect homegrown companies and encourage business ownership (Salami, et al., 2023).

The entrepreneurial environment on the continent is significantly shaped by government policies (Elumelu, 2023). SMEs and the creation of wealth and jobs that support a nation's economic progress are intended to be limited by government policy. Government policy support agencies are organisations that work to improve and adapt small businesses' standing with regard to government financing, execution, and support. The goal of government support organisations for small businesses is to establish a environment that supports business acumen and SBs growth by enacting laws that favour them. This is done through enacting legislation governing policies that assist and lessen the issues faced by small enterprises, which are the cornerstone of the country's industrialization journey. Policies that are easy for small businesses to use must be approved by the government (Adegboyo, et al., 2021). Well-developed infrastructure works in combination with a favourable political and business environment to support a flourishing business conditions, enhanced output of products and services, as well as the creation of value (Uju & Ugochukwu, 2021).

The establishment of rules and regulations that regulate the growth of small companies in Nigeria is necessary for the successful implementation of government regulations related to small businesses in the area of economic development, according to Obananya (2022). When it comes to laws, it is believed that the government will be the main driver of small business growth and be able to provide much-needed resources. One of these resources is the capacity to foster an environment that supports small businesses and promotes their growth. A policy is a course of action that has been chosen and endorsed by a political party, organisation, or group of people. Yet, the overall government control of the economy in which small businesses operate frequently renders these business policies ineffective (Obananya, 2022). Therefore, small businesses in the economy have limited direct control over government policies, which are externally mandated.

Government Credit Policy

Government credit policies are a tactic used to assist small-businesses long-term growth objectives by giving the government influence over credit and lending options. One of these strategies is to prepare and look for rules, including concessionary funding, to support and promote the growth of small businesses in Nigeria (Obananya, 2022).

Government financial policies and bank lending rates have the potential to impact the economy, according to Yimka et al. (2020). Investment declines as interest rates rise because entrepreneurs would not borrow money at unprofitable rates. Governments design the structures and regulations that allow companies to compete with one another. The government will occasionally alter these regulations and frameworks, requiring companies to modify how they conduct business.

Thus, government regulations greatly affect businesses. Another economic policy set by the government is the interest rate. The Monetary Policy Committee of Nigeria convenes on a monthly basis to decide on the interest rates that are implemented throughout the economy. For example, an increase in interest rates drives up operating expenses and also reduces consumer purchasing power, which in turn drives down business sales. According to Elumelu (2023), government initiatives that encourage the creation of venture capital firms or offer loan guarantees for small businesses can greatly increase the amount of capital available to entrepreneurs. By lowering the risk, these programmes entice investors to fund businesses.

Government Tax Policy

All around the world, governments impose taxes on their residents, business organisations, goods, and services in order to raise money to pay for their spending. The tax system is largely to blame for small firms' expansion. Value-added tax, withholding tax, and personal income tax are all payable by small enterprises in Nigeria. Previously, though, they were liable to corporate income tax. The Finance Act of 2019 modifications, which exempt small firms from paying taxes, have caused this to change (Atoyebi & Ayara, 2022).

Due to the difficulties in obtaining their income owing to a lack of appropriate documentation, the majority of SMEs are subject to presumed taxation. The government can access the taxpayer based on their imagined income thanks to presumed taxes. Tax laws that provide tax vacations or lower tax rates to small and medium-sized businesses can encourage entrepreneurship and cut operating costs (Elumelu, 2023).

Consequently, legislators should prioritise setting up the tax code to support the expansion of situation-specific SMEs. The government applies a variety of taxes with the intention of safeguarding emerging sectors and ensuring fair competition among small firms, all in the name of defending and managing the operations of small businesses.

Jialu (2022) asserts that tax regulations have an impact on how businesses are organised, how much money is saved, how people migrate across state lines, and how they invest. A high import tax rate would incentivize local business owners to manufacture goods domestically. However, a high raw material tax rate will promote imports and discourage home manufacture. Therefore, tax responsibilities and high tax rates discourage small enterprises from growing. Economically speaking, taxes increase the cost of manufacturing goods and services, which eventually raises the price for consumers.

It is clear that taxes are the main issue for both new and established businesses. However, it was recommended that small enterprises be able to fulfil their potential tax obligations in a tax-friendly environment. Businesses' bottom lines will suffer even though they might be able to pass some of this tax on to customers in the shape of increased prices. Other business taxes include the value-added tax (VAT) and environmental levies like the landfill tax. The final customer is responsible for paying the VAT tax, and businesses incur significant costs for managing the system. It is indisputable that taxes have many benefits, but if many taxes aren't checked, the troubles they cause may outweigh the benefits. Accordingly, people, companies, and corporate entities voice their dissatisfaction with the negative consequences linked to tax doubling (Mbazulike, et al., 2023).

Government Licensing Policy

A government business licence is the permission granted by the federal government or the local government of the area in which you currently reside to establish a business or engage in a specific industry. Therefore, a business permit is a formal document that permits companies, particularly those with foreign interests, to operate locally.

Government licencing presents significant obstacles to the growth of small enterprises and necessitates extensive structural reform (Obananya, 2022). Exorbitant licencing and registration fees have an impact on the expansion and operations of small firms. Depending on the jurisdiction, a business licence may serve several purposes. In certain instances, it might be necessary to sell particular goods or take part in particular activities. In other cases, it might only be an administrative step to make sure companies are informed about and following relevant rules and regulations.

Business operations are likely to be restricted by a legal and authoritarian structure that leads to unduly complicated licencing and registration procedures as well as time-consuming and expensive reporting procedures (Obananya, 2022). The process of obtaining a business licence is another area that most businesses view as cumbersome. Small companies revealed that there was no clear explanation that scholars, statistics agencies, or economies could use as a guide. Elumelu (2023) asserts that expediting the licencing and registration procedure for enterprises can lower administrative barriers and motivate more people to formalise their operations, increasing transparency and opening up formal finance sources.

Small Businesses

A small-scale firm comprises a company that is privately held, operated and does not command a monopoly in its sector. In the nation's economic structure, small enterprises operate an important role in promoting the expansion of employment and the production of wealth. They play a crucial role in linking the country's advancements in services, industry, agriculture, and many other areas. Sustainable growth increases small businesses' competitiveness and productivity while opening up a plethora of opportunities for employment, the purchase of material and intangible assets, and foreign investment in the country (Ndayako, 2021). Nigeria's economy is growing because of small enterprises.

Enterprises are categorised as small or mid-size if their revenue, assets, or labour falls below a certain threshold. Each nation has a different concept of a small- to medium-sized business. The organization's approach to business of operation can sometimes been considered, in addition to needing to follow certain size guidelines (Berry-Johnson, 2019). Small- to medium-sized firm in a developed country may be regarded as a large-scale business in a developing country when factors like fixed investment and workforce employment are taken into account. The following table displays the meaning of a SME as provided by the European Commission.

Table 1: SME Definition in European Commission

S/N	SIZE CATEGORY	Full time Labor	Sales Turnover ($)
1	Micro Enterprises	1-10	0 – 2,591,600
2	Small Enterprises	10 - 49	2,591,600 – 12,958,000
3	Medium	50 – 249	12,958,000 – 55,719,400

Source: European Commission Official Website, 2022

Table 1 shows that small businesses with 10–49 staff members shouldn't have a turnover exceeding $12,958,000 (or EUR 10 million); medium-sized businesses with 50–249 staff members need to not have a turnover exceeding $55,719,400 (or EUR 50 million); and small enterprises with no more than ten workers ought not have a turnover exceeding $2,591,600 (or EUR 2 million). According to the European Commission Official Website (2022), SMEs are characterised by a variety of factors, including as capital, project scope and cost, yearly revenue, financial stability, and personnel size.

The Central Bank of Nigeria (CBN) categorised Nigerian SMEs based on their workforce size and asset base. The requirements include an asset base of at least five million Naira and a workforce of at least 100,000 Naira.

According to the Federal Government's 1980 Small Scale Sector Development Plan, a company in Nigeria's industrial or service sector is deemed small if its total capital expenditures, including equipment and production costs, do not exceed ₦150,000,000.00. According to Ogonu and Okejim (2018), The Federal Ministry of Commerce and Industry's (FMCI) small-scale industries section defines small-scale firms as those that employ 50–150 people and have a capital investment of ₦250,000. Like many others, this definition considered the number of employees and the amount of money invested.

Different countries have different definitions of Micro, Small, and Medium-sized Enterprises (MSMEs) and from organisation to organisation in terms of the total assets, annual turnover, and number of employees. Here are a few definitions from eminent Nigerian organisations that deal with SMEs. The present research has utilised the BOI definitions and categorization of MSMEs.

Table 2: Bank of Industry's (BOI) Definition for Micro, Small, and Medium-size Enterprises

S/N	Enterprise Category/ Indicator	Micro Enterprise	Small Enterprise	Medium-size enterprise
1	Number of Employees	≤ 10	>11 ≤ 50	> 51 ≤ 200
2	Total Assets (₦)	≤ 5 million	> 5 ≤ 100 million	> 100 ≤ 500 million
3	Annual Turnover (₦)	≤ 20 million	≤ 100 million	≤ 500 million

Source: BOI, PWC Survey, 2020

Table 3: SMEDAN National Policy on MSMEs Definitions

S/N	Indicator / Size of the Enterprise	Micro Enterprise	Small Enterprise	Medium-size enterprise
1	Number of Employees	≤ 10	10 to 49	50 to 199
2	Total Assets (₦)	≤ 5 million	≥ 5 < 50 million	≥ 50 < 500 million

Source: MSME Survey, 2020

Table 4: Insights on the MSME sector in selected countries

Country	% of businesses	GDP	Employment
South Africa	99%	52%	29%
USA	> 99%	44%	48%
UK	99.7%	51%	54%
Germany	99.5%	54%	63%
Nigeria	99.8%	49%	84%

Source: European Commission, FMITI, PwC research

According to the updated National Micro, Small, and Medium Scale Enterprise Policy (2021–2025), Nigeria's MSMEs are now categorised as follows:

Table 5: Insights on the National Micro, Small and Medium Scale Enterprise Policy

S/N	Size category	Employment	Turn over (N million)
1	Nano/ Homestead Enterprises	1-2	Less than 3
2	Micro Enterprises	3-9	3-25 million
3	Small Enterprises	10-49	25+ but less than 100
4	Medium	50-199	100+ but less than 1000

Source: National Policy on MSMEs in Nigeria, 2023

Small Business Survival

The ability of SMEs to leverage their unique assets to stimulate the economy is based on how viable their firms are. However, poor business survival rates are widely acknowledged as a concern facing the SME sector. Approximately 20% of start-ups leave the market during their first year of operation, and more leave the following year. A mere minority embark on a trajectory of rapid expansion (Sasan et al., 2020). Only 39% of newly established businesses in Australia make it to the age of ten, with 24% leaving within the first three years (Bakhtiari, 2019). According to Enesi and Ibrahim (2021), SMEs have been negatively impacted by outbreaks since 2020, and they continue to do so. They also noted that epidemics constitute a detrimental effect on the economy through poor health. Healthcare is an essential component and an engine for achieving wealth through financial growth and development. As such, business activities are unable to flourish adequately without the support of an effective healthcare system and a positive business climate. The new virus that was plaguing the world economy had a major detrimental effect on the SMEs under study's cash flow and customer base. This incident generated negative sentiments about survival, excitement, and the pandemic's further expansion. Numerous companies have failed and many more are in danger of collapsing because of the COVID-19 pandemic. This led to economic shock for most SMEs with little capital investment, from which they are unlikely to recover fast (Enesi & Ibrahim, 2021).

Theoretical Review

Resource Based Theory

The resource-based approach was first presented by Penrose (1959) in her essay "The theory of the Growth of the firm." Resource diversity and resource immobility are the two fundamental tenets of the resource-based paradigm of the enterprise. When a company has a resource or capability that is also possessed by a large number of rival companies, it is said to have diverse resources and cannot give it a competitive edge. Resources that are difficult for rivals to access due to high development, acquisition, or usage costs are said to be immobile resources.

By offering a framework for evaluating whether a method or technology offers a genuine edge over the competition, the aforementioned presumptions are utilised to assess if small business owners can develop a sustained competitive advantage. According to the resource-based perspective, small businesses can flourish when an entrepreneur has access to resources and talents that they can develop and use in a sustainable way. According to Penrose (1959), businesses can only succeed and gain a sustained competitive edge if they have the right resources and skills that can be used in a long-term, sustainable manner.

According to the theory, small business owners succeed greatly when they have a thorough understanding of the potential of their resources. Through good judgement, intuition, and creative thinking, an entrepreneur selects a specific industry where resources that are valuable, uncommon, difficult to replicate, and non-replaceable will not only help the entrepreneur succeed over the long run, but will also provide them with a competitive advantage and financial success. Success for entrepreneurs lacking a lasting competitive advantage is fleeting, since rivals swiftly erase the favourable result of their original endeavour (Udu, et al., 2008).

The Survival-Based Theory

The "survival of the fittest" notion, sometimes referred to as the survival-based hypothesis, was ascribed to Herbert Spencer (Fabayo, 2009). Therefore, it should come as no surprise that the idea of survival of the fittest is most frequently applied in economics to assess how businesses compete and prosper across a range of industries and to explain economic shifts (Broom & Long-Necker, 2002). In "The Origin of Strategies," he makes the case that competition could have existed from the dawn of time and even predated strategy. Since it made no sense for two similar firms to serve the same clients and serve the same purpose because one of them would inevitably fail, he argued that in order for a business to succeed, it needed to differentiate itself from its competitors.

The notion that companies must adopt strategies that are focused on functioning very effectively and swiftly adapt to changing competitive conditions are the foundation of the survival-based paradigm in strategic management. This is because the entity that survives is the most adaptable and fit to its surroundings. According to Mc Donald, this is one of the success stories that best supports the Darwinian idea of the survival of the fittest (Oshunbiyi, 2004). It was suggested that McDonald's success story was due to its capacity to adjust to a high degree of efficiency into the fast-paced environment of contemporary life and an effective workplace. Nonetheless, some of this viewpoint's supporters contended that choosing a certain set of tactics would not be the best course of action. Rather, It is better to test more than one approach at once and allow natural selection to select the one that best fits the environment (Akinrinade, 1999).

Within the emerging ideas of strategic management typology, this approach encompassed the survival-based theory. Applying this idea to the topic of business turnaround was also rather easy. A failing corporation typically deals with multiple issues at once, including cash flow issues, failed products, losing important employees, and many more. Actually, they were only signs of organisational inefficiency. A company that has to be turned around usually has a huge human resources department, poor sales, and limited manufacturing production capability. These inefficient organisational characteristics might assist to explain why companies that are making a turnaround usually reposition their products, lay off people, and sell off underutilised assets to strengthen their position.

Improving the business's operational efficiency is a turnaround business's main goal with the ultimate goal of increasing profitability, improving environmental adaptation, and ultimately making it through the fiercely competitive environment in which it thrives. The survival principle states that an organism cannot thrive if it is unable to adapt to and become productive in its ever-changing environment. Therefore, the business that has truly made a turnaround is the one that runs effectively and adapts to its environments.

Business Growth Theory

In the 1870s, Mitsubishi presented the corporate growth theory. Strong beliefs that guide company growth and the rate at which companies may profitably grow into larger enterprises were introduced by the concept. According to Penrose, a firm is made up of a variety of internal and external resources that aid in its expansion and acquisition of a competitive edge. She goes on to claim that business growth is governed by the firm's imaginative and effective management resources, however firm size has no influence on the process. She continued by saying that the availability of technical talent and top management is what drives a company's growth. According to Penrose, failure and a loss of competitive advantage result from ignorance of these issues. The concept of business growth holds that a company's rate of growth is unaffected by its starting size. It is assumed that large firms are better for the expansion of the private sector since they employ more people than small enterprises.

The idea of firm growth serves as the basis for this study. This is because tiny firms perform better over time as they learn more about the sector. This implies that a small firm must start and go through several stages of growth. Resource development, takeoff, continuance, survival, and success are the accepted phases of growth. At every step of its development, a number of factors seriously jeopardise the business's survival and sustainability.

Empirical Review

Salami et al.'s (2023) evaluated how government policies affected the expansion of small enterprises and entrepreneurship in Asaba, Delta State, Nigeria. With the help of a well-designed questionnaire, the primary data approach was implemented. In the intervening period, Pearson's product-moment correlation coefficient was used to examine the field data. The study's findings showed a robust and statistically significant positive correlation between monetary policy and entrepreneurial policy intervention and growth and development. Therefore, the institutional framework that supports entrepreneurial decision-making is created by government policy.

The effect of bank loan facilities on the performance of SMEs in Nigeria between 2004 and 2020 was investigated by Ighoroje and Akpokerere (2022). The research hypotheses were tested in the study using the Robust Regression estimation. The model's excellent predictive power was demonstrated by the investigation. The outcome shows that bank credit facilities had a significant impact on SMEs' performance. As a result, bank credit extension greatly enhances the performance of SMEs.

Musabayana et al. conducted a study in 2022 to assess how government policies affected Zimbabwean SMEs' profitability. The sequential exploratory technique was applied in the investigation's mixed research methodology. The results of this research suggest that the government provided education for the top group. Government officials, who are knowledgeable with SME policies, briefed all SME sector specialists about the government's goals. However, the information was not sent to the SME implementers.

In Anambra State, Obananya (2022) investigated how government policies affected the growth of SMEs companies. A questionnaire served as the main instrument for gathering data for the study. Regression analysis was used in the study to analyse the hypotheses that were created. The results of the study show that government policies pertaining to licensing, taxation, and loan distribution greatly facilitate the growth of small and medium-sized enterprises in Anambra State's Onitsha North local government zone.

In Lagos State, Nigeria, Ebube (2022) studied the connection between entrepreneurial abilities, government regulations, and the prosperity of micro, small, and medium-sized businesses. Both descriptive and inferential analysis were used in this investigation. The investigation's quantitative data collection approach was the abductive research technique. The study found that the entrepreneurial abilities of managers and owners of micro, mid, and medium-sized enterprises were significantly impacted by training programs financed by the Lagos State Employment Trust Fund. Additionally, the Lagos State Employment Trust Fund's incentive supports—which include interest-free loans, free workspace, free mentorship, and free equipment—have a direct impact on the grantees' businesses' performance.

The study conducted by Ajike et al. (2021) aimed to implement lean concepts in Nigerian small enterprises, with a particular focus on small printing presses located in the state of Enugu. The research study employed a survey design.. The method of census sampling was applied. By employing Pearson's Moment Correlation Coefficient, the hypotheses were examined. The outcome of the study showed that the performance and expansion of small enterprises in Enugu State are significantly impacted by the implementation of lean concepts.

The performance of a selected group of SMEs in Southeast Nigeria was investigated by NuelOkoli, et al. (2021) in relation to their entrepreneurial approach. The theories were analysed using a straightforward regression analysis. According to the study, proactivity, inventiveness, and taking risks considerably enhance SMEs' success in Southeast Nigeria.

The performance and economic growth nexus of small and medium-sized firms in Nigeria was empirically researched by Tahir et al. (2021) using ARDL - Bound Testing Evidence from 1980 to 2017. Findings showed both positive and negative connections between the variables, but they also showed cointegration, which satisfied the necessary condition for estimating the long-term link between the variables.

Babandi and Barjoyal (2021) evaluated the ways in which the SMEDAN program mediated the relationship between the growth of SMEs and key success factors (CSFs). For the study, a mixed research technique was used. The qualitative method was employed in the investigation. The CSFs model was used to design the study's questionnaire. The ordinal regression strategy was used to evaluate the variables in the statistical application SPSS. As per the results of the pilot study, SMEs may have greater success if the SMEDAN initiative steps in to better provide them with enough financial resources and encourages them to utilise technology. The statistically significant analysis indicates that there is a link between the variables that are not dependent.

The COVID-19 pandemic's effects on SMEs in Abuja, Nigeria's Federal Capital Territory, were investigated by Enesi and Ibrahim (2021). A structured questionnaire was given to 10 SMEs in the Abuja Municipal Area Council that were chosen at random and one hundred responses were obtained as part of the research's quantitative research methodology. The findings demonstrated that problems such not having enough cash for rent, loans, or wage payback are common among SMEs.

Stefan et al. (2020) used multiple log-log linear regressions to study how, between 2009 and 2017, investments and innovation drove small and medium-sized firms (SMEs) to become the engine of economic development. The quantitative findings lend credence to the hypothesis that investments increase turnover. It was found that the influence of firm size on turnover was positive for all functioning micro-units and enterprises at the national level. Furthermore, the estimation findings show that the number of micro-units that are actively operating has a positive impact on the expansion of the territorial economy.

Sanni et al. (2020) looked at how well 198 managers and owners of SMEs in Kwara State, Nigeria, performed in terms of deposit money bank credit availability. The partial least squares-structural equation model and descriptive statistics were both used. According to the study, bank loan availability and credit-related fees (interest) were directly and strongly correlated with the health of small businesses.

Ameh et al. (2020) assessed the contribution of small and medium-sized enterprises to the expansion of the Nigerian economy, demonstrating how SMEs generate employment opportunities and support a country's economic growth, as well as how the government can effectively influence the expansion of SMES in the study area. The research's conclusions show that SMEs continue to play a crucial role in Nigeria's progress.

Gap in the Review of Related Literature

The past literature study revealed that the empirical research analysed by various authors lacked a comprehensive explanation about the effect of government policies on the survival of small companies in Nigeria with particular emphasis Enugu State's metropolis. Not much study has been done to ascertain the degree to which government policies affect small enterprises' ability to survive in Enugu City focused on Frozen Fish businesses via Up Town Frozen Fish & Meat Shop, Lizzy Fish Shop, Conyfrost Coldroom, Titus Fish Frozen 2, Fresh & Frozen Seafoods and Poultry. This demonstrates a gap in the literature, which supports the way this study was carried out.

METHODOLOGY

Research Design

Descriptive research design was used. In order for the researcher to examine the causal link between the variables that have been identified, the design is focused on collecting and evaluating data from the study population.

Sources of Data

The principal source data were mainly primary data produced by a representative sample of the owners and managers of the Small Enterprises in Enugu Metropolis that were chosen. The owners and managers of the frozen fish businesses that are the study's respondents were given hard copies of the self-administered questionnaire by the researcher, who also provided guidance on how to answer questions in an introductory note that was attached to the questionnaire.

Population

The study's population comprises five selected Frozen Fish businesses. The study concentrate on Up Town Frozen Fish & Meat Shop, Lizzy Fish Shop, Conyfrost Coldroom, Titus Fish Frozen, and Fresh & Frozen Seafoods and Poultry for convince and due time constrict. However, target population was twenty eight respondents which comprises of Admin Officers, accounting section, operational officers, loaders, and security. (see **Table 6** of the appendices)

Sample Size Determination

The sample size for a population of 128 respondents was calculated using the Taro Yamani (1964) formula.

$$n = \frac{N}{1+N(e)^2}$$

where n = Sample size; N = Population; e = Tolerance error limit1 = constant. The study participant has chosen one percent (0.01) as the allowable error margin. The translation of the formula is shown below.

$$n = \frac{128}{1+128(0.01)^2}$$

$$n = \frac{128}{1+128(0.001)}$$

$$n = \frac{128}{1+0.128}$$

$$n = \frac{128}{1.028}$$

$$n = 124.51.$$

Accordingly, one hundred and twenty four (124) respondents make up the study's sample size.

Method of Data Analysis

For the study, both the descriptive and inferential phases of analysis were used. Utilising a variety of descriptive items, percentage denotations, and frequencies, the descriptive analysis examined the surveys. Inferential assessment, on the other hand, uses regression analysis using the Statistical Package for the Social Sciences (SPSS) version 25 to evaluate how government policies, the independent variable, affect the dependent variable, small business survival. Additionally, simple linear regression was used since it is the most user-friendly approach and can lower residual squares.

DATA PRESENTATION AND ANALYSIS

The appendices' **Table 7-16** offers a thorough analysis of the questionnaire distribution and return rate, which is closely associated with the research questions and hypotheses, SWOT analysis, and implications of the results. This table provides a useful summary of the survey's response rate, demonstrating the degree of participant involvement and giving a clear indication of how involved the target demographic is.

Questionnaire Distribution and Returns Rate

Table 7 presents the distribution and return rates of the questionnaires used for data collection in the study examining the effect of government policies on the survival of small businesses in the frozen fish sector of Enugu Metropolis. A total of 124 questionnaires were distributed to respondents across the selected frozen fish firms in Enugu Metropolis. Of these, 120 questionnaires were completed and returned, representing 96% of the total distributed. 4 questionnaires were not returned, accounting for 4% of the total. This high return rate of 96% suggests a strong level of engagement from the respondents, indicating that the sample used for the study is both representative and reliable for further analysis. The low non-return rate (4%) indicates minimal response bias, which enhances the validity of the study's findings.

Analysis of Bio-Data of Respondents

Table 8 shows the bio-data of respondents. According to the respondents' gender breakdown, 41 percent of those who participated are female and 59 percent of participants are male. This suggests that there were somewhat more men among the participants, but the sample still includes a significant portion of female respondents, allowing for a balanced gender perspective.

A majority of respondents hold an O'Level WASSCE/SSCE qualification, representing 58.4% of the sample. This is followed by 20.8% of respondents with a First School Leaving Certificate, and 12.5% with an OND or equivalent. A smaller portion, 8.3%, has an HND/B.Sc qualification, reflecting a lower representation of higher education levels within the sampled group.

58.3% of those surveyed, the biggest group, had one to five years of work experience. Next in line are 16.7% of responders with more than 11 years of experience and 25% with 6–10 years. Given that the vast majority of those surveyed appear to be somewhat new to their positions in the frozen fish industry, this distribution may provide an understanding of the difficulties encountered by companies at various phases of their operations.

Analysis on government credit policy on the survival of small businesses

Table 9 presents respondents' views on the role of government credit policies in the survival of small businesses, specifically in the context of the frozen fish sector.

On "Government credit regulations help small firms stay in business**"** 54.2% of respondents strongly agreed, and 33.3% agreed, indicating that a significant majority believe government credit laws positively affect the survival of small businesses. Only 8.3% were undecided, and 4.2% disagreed, suggesting minimal opposition to the statement**.**

On "Government credit laws help in encouraging the survival of small businesses" Similar to the first statement, 50% strongly agreed, and 29.2% agreed, reinforcing the idea that government credit laws encourage small business survival. The responses suggest a general consensus on the positive role of government credit policies.

On "Government credit laws contribute to the survival of small businesses" 45.8% strongly agreed, and 25% agreed. While a majority still viewed government credit laws as beneficial, a notable 16.7% disagreed, indicating that some respondents may perceive a gap between policy and practical outcomes. This discrepancy suggests the potential need for improving the implementation of credit policies.

On "Government credit regulations increased the survival of small businesses" 54.2% strongly agreed, and 25% agreed, indicating strong support for the effectiveness of government credit regulations in increasing business survival rates. A minor 4.2% strongly disagreed, pointing to a small proportion of respondents who may feel that the regulations are ineffective.

On "Government regulations regarding credit have made it easier for small enterprises to get finance and loans" 41.7% strongly agreed, and 29.2% agreed, suggesting that while many respondents believe government regulations have eased access to credit, a 12.5% disagreed or strongly disagreed. This reveals that a portion of small businesses might still struggle with accessing finance despite favorable regulations.

Overall, the responses indicate a positive perception of government credit policies, with most respondents believing that such policies promote the survival of small businesses in the frozen fish sector. However, there is some level of skepticism, especially regarding the actual ease of accessing finance and the practical implementation of credit regulations. These findings suggest that while government credit laws are perceived positively, their effectiveness could be improved to better support small businesses.

Analysis on government tax policy on the survival of small businesses

Table 10 presents respondents' views on the role of government tax policies in the survival of small businesses. The data addresses five key statements related to tax regulations and their impact on small businesses in the frozen fish sector of Enugu Metropolis.

"Government tax laws have improved small business survival and empowerment" A majority of 58.3% of respondents strongly agreed, and 25% agreed, suggesting that most small business owners perceive government tax regulations as significantly contributing to their survival and empowerment. Only 4.2% disagreed and 4.2% strongly disagreed, indicating that while the majority sees a positive impact, a small portion of businesses may not fully benefit from these regulations.

"Government tax laws encourage small enterprises to expand and thrive" 41.7% of respondents strongly agreed, and 37.5% agreed, indicating that government tax policies are generally viewed as promoting both growth and survival of small businesses. However, 8.3% disagreed, and 4.2% strongly disagreed, revealing some skepticism about the effectiveness of these policies in fostering growth.

"Government tax laws support the survival of small businesses" 37.5% strongly agreed, and 33.3% agreed, suggesting that a substantial proportion of respondents believe tax laws support the survival of their businesses. However, 16.7% disagreed, and 8.3% strongly disagreed, highlighting some concern among respondents about the negative impact of tax policies on their businesses.

"Government tax laws create confusion for business setting and survival of small businesses" 50% of respondents strongly agreed, and 29.2% agreed, suggesting that a significant portion of respondents find government tax laws to be confusing and potentially detrimental to business operations and survival. 8.3% disagreed, and 4.2% strongly disagreed, which suggests that while many respondents find tax laws challenging, there is a portion of businesses that are not significantly affected by these complications.

"Government tax regulations increased the survival of small businesses" 45.8% of respondents strongly agreed, and 33.3% agreed, indicating that a majority of respondents believe tax regulations have positively influenced the survival of small businesses. However, 16.7% disagreed, with 4.2% of respondents remaining undecided, suggesting a mixed perception regarding the effectiveness of tax policies in supporting business sustainability.

With the majority of participants recognising its beneficial effects, the replies indicate that government tax policies are crucial to the survival and expansion of small companies in Enugu Metropolis. A notable portion of respondents expressed concerns about confusion caused by tax regulations, which might create challenges for small business operations. These mixed responses indicate that while tax policies are generally seen as supportive, there may be a need for further clarification and simplification to improve their effectiveness and reduce confusion for small business owners.

Analysis on government licensing policy on the survival of small businesses

Table 11 presents respondents' perceptions of how government licensing policies influence the survival of small businesses.

"Government licensing regulations dishearten the survival of small businesses" 50% of respondents strongly agreed, and 33.3% agreed, indicating that a significant majority believe licensing regulations discourage small business growth. Only 4.2% strongly disagreed and 4.2% disagreed, suggesting a minority see these regulations as neutral or beneficial.

"Government licensing regulations create a business-friendly environment for the survival of small businesses" 41.7% strongly agreed, and 37.5% agreed, demonstrating that a majority of respondents believe licensing policies can foster a positive business environment. However, 8.3% disagreed, while 4.2% strongly disagreed, showing that some respondents experience challenges despite regulatory support.

"Government licensing regulations lower operating costs for small businesses to ensure their existence. " 45.8% strongly agreed, and 25% agreed, suggesting that some businesses find licensing laws helpful in lowering operational costs. However, 16.7% disagreed, and 8.3% strongly disagreed, indicating that a notable percentage believe licensing laws increase costs rather than reduce them.

"Government licensing laws create rigid competition for small business survival" 54.2% strongly agreed, and 25% agreed, showing that many small business owners see licensing policies as intensifying market competition. 8.3% disagreed, and 4.2% strongly disagreed, suggesting that some businesses do not see increased competition as a direct consequence of licensing laws.

"Government licensing policies guarantee benefit realization for small businesses to thrive" 45% strongly agreed, and 39.2% agreed, indicating that most respondents believe government licensing policies help businesses succeed. 7.5% disagreed, and 3.3% strongly disagreed, revealing that a small proportion does not share this positive perspective.

The responses indicate mixed perceptions regarding government licensing policies. While a substantial portion of respondents view licensing laws as beneficial for business survival, many also perceive them as restrictive, creating rigid competition and discouraging business growth. The findings suggest that while licensing policies may have advantages such as fostering competition and ensuring benefit realization, they may also create financial burdens and regulatory complexities for small business owners.

Testing of Hypothesis one

H_{o1}: Government credit policy has no significant positive effect on the survival of small businesses in Enugu Metropolis

Analysis of Regression Results (Table 12)

Government credit policy and small business survival are strongly positively correlated, as indicated by the correlation coefficient (R) of 0.885. According to the R-Square value of 0.783, government credit policy accounts for 78.3% of the variances in small business survival. The remaining 21.7% might be caused by additional variables not taken into account by this model. The corrected R-Square value of 0.710, which accounts for the number of variables in the model, reveals that government credit policy still accounts for about 71% of the variance in business survival after accounting for likely errors.

Given the F-statistic of 10.798 and p-value of 0.046, the regression equation is extremely important at the five percent threshold of importance ($p < 0.05$). This implies that the survival of small firms is greatly impacted by government lending policies. The Durbin-Watson score of 1.455, which falls within the allowed range of 1.5 to 2.5, shows that there is no severe autocorrelation issue in the model. Considering the p-value (0.046) is less than 0.05, we reject the null hypothesis (Ho_1) and accept the alternative hypothesis (H_1). In Enugu Metropolis, government credit strategy significantly improves small company survival.

The strong positive relationship between government credit policy and small business survival suggests that access to government-backed credit programs can enhance business sustainability. Policies that improve access to credit, reduce loan repayment burdens, and provide favorable lending conditions may significantly contribute to the growth and survival of small enterprises in Enugu Metropolis.

Testing of Hypothesis two

H_{o2}: Government tax policy has no significant positive effect on the survival of small businesses in Enugu Metropolis.

Analysis of Regression Results (Table 13)

The correlation coefficient (R) of 0.853 shows a substantial positive relationship between government tax policy and small business survival. This implies that there is a modest relationship between shifts in government tax laws and variations in small business survival rates. Government tax policy explains 72.7% of the variance in small business longevity, according to an R-Square value of 0.727. This demonstrates the comparatively strong explanatory power of government tax policy in forecasting small business survival. The adjusted R-Square value of 0.636 shows that, after accounting for the number of predictors, 63.6% of the variance in small business survival is explained by government tax policy. The adjusted R-square value is lower than the R-square, which is expected since it accounts for the potential overfitting with multiple predictors.

The model as a whole is considered significant according to the F-statistic of 8.000, but at the 10 percent significance level ($p < 0.10$), the p-value of 0.066 suggests that its significance is only minimal. Considering the p-value is more than 0.05, we cannot rule out the null hypothesis at the five percent confidence level. This implies that, at the traditional 5% significance threshold, there is no compelling evidence that government tax policy has a favourable impact on small business survival. Given that it is within the permissible range of 1.5 to 2.5, the model is appropriate for research since the Durbin-Watson score of 1.598 shows that the residuals do not exhibit any discernible autocorrelation.

Considering the p-value (0.066) is higher than 0.05, the null hypothesis (Ho_2) cannot be ruled out.This indicates that, at the 5% significance level, there is not enough data to conclude that government tax policy significantly improves small company survival in Enugu Metropolis. Based on the data utilised in this study, the findings imply that government tax policies could not significantly affect small company survival, at least in Enugu Metropolis. While the model shows a strong correlation between tax policy and business survival, the marginal statistical significance implies that other factors, such as regulatory complexity, tax burden, or access to tax incentives, may need to be explored further to understand their effect on small businesses.

Testing of Hypothesis three

H_{o3}: Government licensing policy has no significant positive effect on the survival of small businesses in Enugu Metropolis.

Analysis of Regression Results (Table 14)

Government licensing policies and small business survival have a moderate to strong positive link, according to the correlation coefficient (R) of 0.782. It implies that licensing laws are important to small firms' ability to survive. Government licensing policies account for 61.2% of the variation in small business survival, according to the R-Square value of 0.612. This is a fairly strong explanatory power, though it leaves 38.8% of the variation unexplained, which could be due to other factors influencing small business survival. The adjusted R-Square value of 0.483 accounts for the number of predictors, showing that 48.3% of the variation in small business survival is explained by government licensing policy after adjusting for any potential overfitting. This is still a notable proportion, but not as high as the R-Square value.

The regression model is considered significant according to the F-statistic of 4.734, but only at the marginal 10% level ($p < 0.10$), as indicated by the p-value of 0.118. At the 5% significance level, we are unable to reject the null hypothesis since the p-value is higher than 0.05. As a result, there is insufficient data to conclude that government licensing policies significantly increase small business survival at the 5% level. With a Durbin-Watson statistic of 1.736 falling between 1.5 to 2.5, the model's assumptions are met and there is no discernible autocorrelation in the residuals.

Given that the p-value (0.118) above 0.05, the null hypothesis (Ho_3) cannot be ruled out. This indicates that, at the 5% significance level, there is not enough data to draw the conclusion that government licensing policies significantly improve small company survival in Enugu Metropolis. The marginal statistical significance suggests that while government licensing policies may influence small business survival to some extent, they do not have a significant positive effect at the conventional 5% significance level. This finding may point to the need for a review or reform of licensing policies, particularly in terms of simplifying processes, reducing bureaucratic hurdles, and ensuring that licensing requirements are not overly burdensome for small businesses.

SWOT Analysis

A SWOT analysis based on the facts and findings from the regression results and other aspects of the study on the effect of government policies on small businesses in Enugu Metropolis (particularly the frozen fish sector) is shown in **Table 15** summarizes the internal and external factors based on government policies, specifically those related to credit, tax, and licensing.

Implications of the Findings

Given the government policies (credit, tax, and licensing) that have an impact on small enterprises' ability to survive in Enugu Metropolis, Table 16 presents the findings' implications for pertinent parties.

CONCLUSION AND RECOMMENDATIONS

Conclusions

The paper examines how government policies affect small enterprises that sell Frozen Fish in the city of Enugu which include Up Town Frozen Fish & Meat Shop, Lizzy Fish Shop, Conyfrost Coldroom, Titus Fish Frozen 2, Fresh & Frozen Seafoods and Poultry. Primary sources provided the data, which was then analysed using regression analysis. The findings indicate that government credit rules have a major good impact on small companies' ability to survive in Enugu Metropolis; however, government tax laws and government licencing policies have no discernible favourable effect on Enugu Metropolis small enterprises' capacity to thrive.

Recommendations

i. The government ought to review the several policies it has put in place to mitigate the detrimental impact of lending policy on small-scale business survival.
ii. The government should create a tax payment system that is convenient for small businesses and enhances proficiency in tax compilation and payment.
iii. To encourage the growth and survival of small businesses in the city of Enugu and Nigeria as a whole, the government must simplify the licensing process and lower the license requirements.

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APPENDICES

Table 6: Population Distribution

Position	No of Respondents					
	Up Town Frozen Fish & Meat Shop	Lizzy Fish Shop	Conyfrost Coldroom	Titus Fish Frozen	Fresh & Frozen Seafoods and Poultry	Total
Admin. Officer	3	3	4	4	5	19
Accounting section	5	4	4	4	4	21
Operational staff	7	6	10	10	11	44
loaders	6	4	8	4	9	31
Security/drivers.	2	3	3	2	3	13
Total	23	20	29	24	32	128

Source: Field Survey, 2025

Table 7: Questionnaire Distribution and Returns Rate

S/NO.	**Distributed Questionnaires**	**Returned questionnaires**	**Percentage %**
1	Completed and returned	120	96
2	Not returned	4	4
TOTAL	-	124	100

Source: Field Survey, 2025

Table 8: Bio-Data of Respondents

S/No.	Demographic Factor	Response Option	Number of Responses	Percentage (%)
1	Gender	Female	49	41
		Male	71	59
2	Educational Background/Qualification	First School Leaving Certificate	25	20.8
		O'Level WASSCE/SSCE	70	58.4
		OND or Equivalent	15	12.5
		HND/B.Sc	10	8.3
3	Years of Job Experience	1-5 Years	70	58.3
		6-10 Years	30	25.0
		11+ Years	20	16.7

Source: Field Survey, 2025

Table 9: Responses on government credit policy on the survival of small businesses

S/N	Statement	No. of Respondents/ Percentage (%)					
		SA	**A**	**U**	**D**	**SD**	**Total**
1	Government credit laws promote the survival of small businesses	65 (54.2%)	40 (33.3%)	10 (8.3%)	5 (4.2%)	-	120
2	Government credit regulations support small business survival.	60 (50%)	35 (29.2%)	10 (8.3%)	10 (8.3%)	5 (4.2%)	120
3	Government credit laws contribute to the survival of small businesses	55 (45.8%)	30 (25%)	5 (4.2%)	20 (16.7%)	10 (8.3%)	120
4	Government credit regulations increased the survival of small businesses	65 (54.2%)	30 (25%)	10 (8.3%)	10 (8.3%)	5 (4.2%)	120
5	Government regulations regarding credit have made it easier for small enterprises to get finance and loans.	50 (41.7%)	35 (29.2%)	10 (8.3%)	15 (12.5%)	10 (8.3%)	120

Source: Field Survey, 2025

Table 10: response on government tax policy on the survival of small businesses

S/N	Statement	No. of Respondents/ Percentage (%)					
		SA	**A**	**U**	**D**	**SD**	**Total**
6	Government tax laws have improved small business survival and competitiveness.	70 (58.3%)	30 (25%)	10 (8.3%)	5 (4.2%)	5 (4.2%)	120
7	Government tax laws encourage small enterprises to expand and thrive.	50 (41.7%)	45 (37.5%)	10 (8.3%)	10 (8.3%)	5 (4.2%)	120
8	Government tax laws support the survival of small businesses	45 (37.5%)	40 (33.3%)	5 (4.2%)	20 (16.7%)	10 (8.3%)	120
9	Government tax laws create confusion for business setting and survival of small businesses	60 (50%)	35 (29.2%)	10 (8.3%)	10 (8.3%)	5 (4.2%)	120
10	Government tax regulations increased the survival of small businesses	55 (45.8%)	40 (33.3%)	5 (4.2%)	20 (16.7%)	-	120

Source: Filed Survey, 2025

Table 11: Responses on government licensing policy on the survival of small businesses

S/N	Statement	No. of Respondents/ Percentage (%)					
		SA	**A**	**U**	**D**	**SD**	**Total**
11	Government licensing regulations dishearten the survival of small businesses	60 (50%)	40 (33.3%)	10 (8.3%)	5 (4.2%)	5 (4.2%)	120
12	Government licensing laws foster an environment that is conducive to small company survival.	50 (41.7%)	45 (37.5%)	10 (8.3%)	10 (8.3%)	5 (4.2%)	120
13	Government licensing regulations lower operating costs, which helps small firms survive.	55 (45.8%)	30 (25%)	5 (4.2%)	20 (16.7%)	10 (8.3%)	120
14	Government licensing laws prerequisite rigid competition for the survival of small businesses	65 (54.2%)	30 (25%)	10 (8.3%)	10 (8.3%)	5 (4.2%)	120
15	Government licencing policies guarantee benefit realisation for small businesses to thrive.	54 (45.0%)	47 (39.2%)	9 (8.3%)	6 (7.5%)	4 (3.3%)	120

Source: Filed Survey, 2025

Table 12: Regression Result of Hypothesis One

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.885[a]	.783	.710	2.983	.783	10.798	1	3	.046	1.455

a. Predictors: (Constant), Government credit policy

b. Dependent Variable: Survival of small businesses

Table 13: Regression Result of Hypothesis Two

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.853[a]	.727	.636	3.578	.727	8.000	1	3	.066	1.598

a. Predictors: (Constant), Government tax policy

b. Dependent Variable: survival of small businesses

Table 14: Regression Result of Hypothesis Three

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.782[a]	.612	.483	15.261	.612	4.734	1	3	.118	1.736

a. Predictors: (Constant), Government licensing policy

b. Dependent Variable: Survival of small businesses

Table 15: SWOT Analysis

Strengths (Internal)	Weaknesses (Internal)
1. **Strong relationship between government credit policy and business survival**: A significant positive impact of credit policies, as indicated by the regression results (R = 0.885). 2. **Government credit policy provides access to loans and finance**: 41.7% of respondents agree that government credit regulations made it easier for small businesses to get finance. 3. **Moderate explanatory power of licensing and credit policies**: Licensing and credit policies explain a large portion of business survival ($R^2 = 0.783$ for credit, $R^2 = 0.612$ for licensing). 4. **Government tax regulations provide significant benefits**: 58.3% agree that tax policies have added value to small business survival.	1. **High standard error in predictions**: The standard error of estimate is relatively high for some policies, meaning the predictions are not very precise. 2. **High reliance on government policy**: Small businesses may become too reliant on government regulations, making them vulnerable to policy changes. 3. **Limited impact of tax and licensing policies**: Both government tax and licensing policies were found to have marginal impacts on business survival. 4. **Possible confusion due to complex licensing laws**: Some businesses find licensing regulations confusing, which may hinder survival.
Opportunities (External)	**Threats (External)**
1. **Reform government policies for improved business conditions**: There's potential to push for more supportive credit, tax, and licensing regulations to increase small business survival. 2. **Increasing support from government on credit**: With strong positive feedback on government credit policies, there's an opportunity for more businesses to benefit from such policies. 3. **Encouraging collaboration with government agencies**: Small businesses can collaborate with government bodies to influence the improvement of policies affecting survival. 4. **Simplifying licensing processes**: There's an opportunity for government to ease licensing requirements, making it easier for new businesses to enter the market and survive.	1. **Changing government policies**: The risk of policy shifts can negatively affect the business environment, particularly when government regulations become more stringent. 2. **Competition and market saturation**: Licensing policies may encourage competition, but the small business sector may struggle to remain competitive if not properly supported. 3. **High tax rates**: Although tax policies are meant to support businesses, high taxes can act as a burden, reducing profitability and threatening the survival of small enterprises. 4. **Regulatory complexities and costs**: Rigid licensing laws and high compliance costs could hinder new and existing small businesses from thriving.

Source: Author's adoption, 2025

Table 16: Implications of the Findings to Relevant Stakeholders

Stakeholder	Implications of the Findings
Small Business Owners	1. **Increased access to credit**: Small business owners should leverage the government's credit policies to secure loans and finance to grow their businesses.
	2. **Monitor tax and licensing changes**: They need to stay informed about government tax and licensing policies to avoid confusion and take advantage of favorable regulations.
	3. **Advocacy for policy reform**: Owners can collaborate with government agencies to push for clearer, more supportive tax and licensing frameworks to ensure business survival.
Government Agencies (e.g., Central Bank, Tax Authorities, Regulatory Bodies)	1. **Policy refinement**: The positive relationship between government credit policies and business survival calls for the continued support and refinement of credit regulations.
	2. **Improvement in tax policy**: The findings suggest that tax regulations should be fine-tuned to ensure they are not burdensome to small businesses while still providing necessary support.
	3. **Simplifying licensing processes**: The complexity of licensing regulations can hinder small businesses. Regulatory bodies should consider simplifying and streamlining processes to support new and existing businesses.
Financial Institutions	1. **Increased demand for credit products**: With positive feedback on government credit policies, financial institutions ought to customise their offerings to better suit small company demands..
	2. **Collaboration with government**: Financial institutions can work with government agencies to offer better credit facilities, ensuring that they are accessible to small businesses.
Local Government	1. **Enhancing local business policies**: Local government can strengthen its role in supporting small businesses by aligning policies with those of the federal government, particularly in terms of credit, tax, and licensing.
	2. **Fostering local economic development**: Supporting small businesses through favorable government policies can aid in the establishment of jobs and economic expansion locally.
Academics/Researchers	1. **Further research on policy impacts**: The findings present opportunities for further research on how government policies can be optimized for small business growth, which could inform future studies and publications.
	2. **Policy analysis and recommendations**: Academics can use the data to assess policy impacts more broadly, making recommendations for improved practices in credit, tax, and licensing policies.
Business Associations (e.g., NACCIMA, NASSI)	1. **Advocating for favorable policies**: Business associations can use the findings to advocate for better policies at the national and local levels to support small businesses, particularly in the credit and taxation areas.
	2. **Training and support programs**: Based on the findings, associations can organize training sessions and workshops to educate small business owners about navigating government regulations.
Consumers/Local Community	1. **Better access to goods and services**: By fostering the survival of small businesses through supportive government policies, consumers can benefit from improved access to diverse products and services.
	2. **Community development**: As small businesses thrive, there's likely to be an increase in local employment and community development, contributing to a more robust local economy.

Source: Author's adoption, 2025