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# THE IMPACT OF REGULATORY AND BUSINESS SUPPORT POLICY CHANGES ON ENTERPRISE GROWTH IN MSME CLUSTERS: A STUDY OF SOUTH-EAST NIGERIA

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**Abstract**

Regulatory policies and business support initiatives are crucial for fostering the growth of Micro, Small, and Medium Enterprises (MSMEs), especially in emerging markets like South-East Nigeria. This study investigates the effects of regulatory policy dynamics and the reversal of business support policies on enterprise growth within the region. Using a descriptive cross-sectional design, data were collected from 373 MSME respondents through stratified sampling and structured questionnaires. The analysis revealed that regulatory policy dynamics exhibited a negligible effect on enterprise growth (Mean: 3.791 ± 0.727, B = -0.024, t = -0.554, P = 0.580), while the reversal of business support policies significantly hindered growth potential (Mean: 3.928 ± 0.609, B = -0.300, t = -6.278, P < 0.001). The findings underscore the urgent need for stable policy frameworks that enhance the sustainability of MSMEs. Furthermore, while financial policy instability presents notable challenges, consistent support policies are essential for fostering enterprise resilience. This study recommends that policymakers focus on stabilizing and enhancing business support initiatives to create a conducive environment for MSME development, ultimately contributing to economic growth in South-East Nigeria.

**Keywords:** Regulatory Policy Inconsistency, Business Support Policy Changes, Enterprise Growth, MSME.

## 1. INTRODUCTION

Regulatory policies serve as a key determinant of business environments, particularly for Micro, Small, and Medium Enterprises (MSMEs), which are vital to economic growth, job creation, and innovation in emerging economies. In South-East Nigeria, MSMEs contribute significantly to the economic development of the region, and their growth is directly influenced by the regulatory frameworks within which they operate. However, inconsistent regulatory policies, including abrupt changes in taxation, labour laws, and trade policies, can destabilize these enterprises, often leading to stunted growth, reduced profitability, and lower levels of investment (Ajayi & Olufemi, 2022). Regulatory unpredictability hinders long-term planning for MSMEs, which generally have fewer resources to absorb these shocks compared to larger corporations.

Changes in regulatory policies can force MSMEs to restructure their operations, alter their financial strategies, and reallocate resources, often diverting funds from productive activities such as expansion, innovation, or employee development. For instance, the introduction of new tax regulations or the sudden removal of existing subsidies can lead to increased operational costs, thereby reducing profitability and competitiveness (Okeke & Udeh, 2023). Such regulatory challenges may limit the potential of MSMEs to scale up and penetrate new markets, particularly in competitive sectors where operational margins are already thin.

Furthermore, business support policies, including grants, tax incentives, and subsidies, are crucial in fostering enterprise development. These support mechanisms help MSMEs manage risks and access the capital required for growth. However, when such policies are reversed or withdrawn without adequate warning, the financial stability of MSMEs can be jeopardized (Ogunleye, 2021). Business support reversals often lead to a reduction in market competitiveness, particularly for smaller firms that heavily rely on these incentives to offset costs and remain sustainable (Eze & Nwachukwu, 2023).

Therefore, this study aims to explore two key objectives: (i) determining the impact of regulatory policy changes on enterprise growth, and (ii) investigating the effect of business support policy reversals on the growth of MSMEs in South-East Nigeria. Addressing these concerns will contribute to understanding how policy environments can either hinder or promote sustainable growth among MSMEs in Nigeria.

### Statement of the Problem

The growth of Micro, Small, and Medium Enterprises (MSMEs) in South-East Nigeria is significantly hindered by inconsistent regulatory policies and the reversal of business support initiatives. These policy fluctuations create an unstable business environment, making it challenging for enterprises to achieve sustainable growth, plan long-term strategies, or scale their operations effectively. Given that MSMEs play a pivotal role in economic development through job creation and innovation, such instability poses a considerable barrier to their potential.

Although regulatory frameworks and business support mechanisms are designed to facilitate enterprise growth, frequent policy changes and the withdrawal of crucial support measures such as subsidies, tax incentives, and grants negatively impact MSMEs. This unpredictability leaves these enterprises vulnerable to financial strain, disrupts their operational efficiency, and diminishes their competitive edge. Despite the critical importance of MSMEs to Nigeria's economic landscape, there remains a gap in empirical

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research specifically examining how these regulatory shifts and reversals of support policies affect enterprise growth, particularly in the context of South-East Nigeria.

This study, therefore, seeks to address these gaps by investigating the impact of regulatory policy changes and the withdrawal of business support policies on MSME growth in South-East Nigeria. Understanding these dynamics is crucial for creating a more consistent and supportive policy environment that will foster sustainable growth for MSMEs and enhance their contributions to the region's economic development.

### Objectives of the Study

i. Determine how regulatory policy changes affect enterprise growth in MSME clusters within South-East, Nigeria.

ii. Investigate the influence of business support policy reversal on enterprise growth in MSME clusters within South-East, Nigeria.

### Research Questions

i. How do regulatory policy changes affect enterprise growth in Nigeria?

ii. How does business support policy reversal influence enterprise growth in Nigeria?

### Research Hypotheses

i. Regulatory policy changes have a significant effect on enterprise growth in Nigeria.

ii. Business support policy reversal has a significant influence on enterprise growth in Nigeria.

## 2. LITERATURE REVIEW

### A. Regulatory Policy Dynamics

Regulatory policies are essential tools for governments to manage business activities and achieve economic objectives, such as improving business operations and addressing market failures (Bian & Zhao, 2020; Chu, 2016). They cover areas like product safety, taxation, and environmental impact, supporting business growth. However, in emerging markets like South-East Nigeria, inconsistent regulations can disrupt enterprise operations by creating unpredictability (Marios et al., 2017). These inconsistencies, often fueled by corruption or bureaucratic inefficiencies, lead to excessive costs and delays, hindering the growth of small businesses (Bian & Zhao, 2020).

Effective regulatory frameworks are vital for enterprise growth by providing structure, enhancing resource accessibility, reducing compliance costs, and fostering an entrepreneurial environment (Armanios et al., 2017; Chu, 2016). Conversely, frequent policy reversals and inefficiencies push businesses into informality to escape excessive regulatory burdens (Urban & Hwindingwi, 2016). In emerging markets, inconsistent policies raise business costs and reduce investor confidence, hindering expansion and innovation (Garcia-Cabrera et al., 2016).

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### B. Business Support Policy Dynamics

Business support policies are vital for the growth and sustainability of firms, especially in emerging markets like Nigeria. These policies provide resources such as government assistance, tax relief, and access to both financial and non-financial support. According to Loader (2018) and Ellingsen & Hernæs (2018), science parks and business incubators play critical roles in supporting entrepreneurial ventures. However, the success of these policies relies heavily on the efficiency of government and agency staff implementing them (Urban & Dlamini, 2019). Effective collaboration between the government and private sector can enhance support mechanisms, including enabling SMEs to participate as subcontractors in large public procurement projects, thereby creating economic opportunities and fostering capacity building (Loader, 2018).

Fiscal policies like tax relief and lower interest rates also significantly impact SME growth. High taxes and interest rates limit expansion by squeezing profit margins, while tax holidays and reduced borrowing costs encourage reinvestment (Marios, Benet, & Patrick, 2017). Additionally, expansionary fiscal policies during recessions can stimulate private sector growth by increasing demand for goods and services (Ellingsen & Hernæs, 2018). Institutional frameworks such as education and training are crucial for entrepreneurial success, with skilled labor and access to research institutions aiding high-growth enterprises. However, Nigeria's dynamic policy environment, with its inconsistencies, poses challenges to enterprise growth, highlighting the need for further research on how shifting policies affect entrepreneurial success in such markets (Urban & Dlamini, 2019).

### C. Entrepreneurship Development/Enterprise Growth

Entrepreneurship as a field has evolved significantly from its roots in classical economic theory. Early economists like Cantillion (1931) viewed the entrepreneur as a key figure in navigating uncertainty, while Turgot saw entrepreneurship emerging from investment decisions (Urban & Dlamini, 2021). Schumpeter (1934), later introduced the concept of innovation and "creative destruction," where entrepreneurs disrupt equilibrium to drive economic change, while Knight (1999) emphasized the role of risk (Aribaba et al., 2019). Austrian School economists, including Hayek (1948) and Kirzner (1997), expanded these ideas by focusing on market processes and the entrepreneur's role in recognizing opportunities in disequilibrium, with Kirzner introducing "entrepreneurial alertness" (Loader, 2018). In the 1980s, as knowledge-based economies grew, entrepreneurship became a key driver of innovation and competitiveness, particularly emphasized by scholars like Bian and Zhao (2020). In Nigeria, the importance of entrepreneurship has been recognized since the 1980s, spurred by shifts in industrial competition and a growing service sector (Akinyemi & Adejumo, 2018). However, challenges remain in aligning entrepreneurship policies with coherent objectives, leading to concerns about their effectiveness (Ogunleye, 2021). Despite these issues, entrepreneurship continues to play a critical role in fostering economic development and job creation, making it a vital component of modern economic policy.

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## 3. METHODOLOGY

**Research Design:** This study uses a survey research design to examine the effects of policy inconsistency on enterprise growth in South-East Nigeria. A cross-sectional approach is applied, using questionnaires adapted from frameworks like the Global Entrepreneurship Monitor (GEM) 2017, the Cyprus Report (Marios et al., 2017), and Sujan's (1994) sales performance scale. These tools are tailored to assess how regulatory changes and business support policy reversals influence the growth of firms in the region.

**Source of Data:** This study utilizes both primary and secondary data sources. Primary data will be collected from respondents through questionnaires. Secondary data, which includes information from textbooks, academic journals, and unpublished research, will complement the primary data. Journal articles, in particular, will provide a comprehensive and up-to-date foundation of relevant information on policy dynamics, enterprise growth, and entrepreneurship to support the study's objectives.

**Population of the Study:** The study population consists of 5,283,034 Micro, Small, and Medium Enterprises (MSMEs) in the South-East region of Nigeria, based on the NBS-SMEDAN MSMEs survey of 2017. This includes 9,732 Small and Medium Enterprises (SMEs) and 5,273,302 micro-enterprises spread across five states: Abia (962,146), Anambra (1,235,180), Ebonyi (592,788), Enugu (1,090,052), and Imo (1,402,868). This population forms the basis for analyzing the impact of policy changes on enterprise growth in these clusters.

**Sampling Techniques:** The study uses a two-stage sampling method, combining stratified and purposive sampling techniques. Stratified sampling ensures a representative sample from various subgroups, while purposive sampling selects specific individuals based on criteria like management roles or firm ownership, focusing on key personnel involved in operations. This approach accounts for the diversity and geographical spread of MSMEs...

**Sample Size Determination:** The sample size for this study was calculated using the statistical electronic system developed by Qualtrics (2020). For the total population of 5,283,034 MSMEs in South-East Nigeria, a sample size of 385 was determined, based on a 95% confidence level and a 5% margin of error. The allocation of this sample size was done proportionately across the five states in the region, utilizing a proportional allocation formula based on the population from each state (Bowley, 1926). The calculation employed the formula:

$n = \frac{z^2 \times \delta \times (1-\delta)}{e^2}$ (Qualtrics, 2020)

Where, $z$ is the table $z$ score for a two-tailed test

$\delta$ is the standard deviation. Which = 0.5

e is the margin of error, which = 0.05 (i.e., 5% Margin of Error)

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z is the confidence level score = 1.96 (read from the statistical table)

$n = \frac{1.96^2(.5)(1-.5)}{0.05^2}$ = 384.16, approximately 385, given it is for research purpose.

Thus, for this study, a sample size of at least 385 respondents (MSMEs in the 5 South-East states of Nigeria) would be necessary.

**Description of Research Instrument:** The study utilized a validated questionnaire, consisting of 15 objective-based questions from the GEM 2016-2017 global entrepreneurship study, as indicated in the GEM Cyprus report (2017), along with a 6-item scale developed by Sujan et al. (1994) for the dependent variable. The questionnaire is divided into two sections: one for demographic data and another addressing the research questions. For the demographic section, alternative answers were provided for respondents to choose from. The 18 questions related to the study's objectives were used a 5-point Likert scale for responses, ranging from "Strongly Agree" to "Strongly Disagree.

**Data Analysis Techniques:** Haye's Simultaneous Moderation Analysis in SPSS plug-in is proposed for use to fit the regression line in hypotheses tests as the model suitable for a between-participant variable analysis, where a single variable moderates the influence of a number of predictor variables on an outcome (Hayes, 2017; Hayes, 2018; Montoya, 2019).

## 4. RESULTS

**Table 1: Socio Demographic Characteristics of the Respondents**

| Socio Demographic | Frequency | Percent |
|---|---|---|
| Gender | | |
| Male | 267 | 71.6 |
| Female | 106 | 28.4 |
| Age Group (Years) | | |
| < = 30 years | 44 | 11.8 |
| 31 - 40 years | 127 | 34.0 |
| 41 - 50 years | 123 | 33.0 |
| > 50 years | 79 | 21.2 |
| Marital Status | | |
| Single | 68 | 18.2 |
| Married | 299 | 80.2 |
| Divorced/Separated | 6 | 1.6 |
| Educational Qualification | | |
| Secondary | 12 | 3.2 |
| NCE/ND | 32 | 8.6 |
| HND/BA/B.Sc. | 274 | 73.5 |
| M.Sc./MA/MBA | 55 | 14.7 |

The demographic characteristics of the respondents revealed a diverse representation. In terms of gender, the majority were male, comprising 267 individuals or 71.6%, while female respondents accounted for 106 individuals, representing 28.4% of the sample.

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Age-wise, the largest group was those aged 31-40 years, with 127 respondents (34.0%), closely followed by those aged 41-50 years at 123 respondents (33.0%). Individuals over 50 years constituted 79 respondents (21.2%), while the youngest group, those aged 30 years and below, made up 44 respondents (11.8%). Regarding marital status, most respondents were married, totaling 299 individuals or 80.2%. This was followed by single individuals, who accounted for 68 respondents (18.2%), and only a small percentage were divorced or separated, with 6 individuals (1.6%). Educational qualifications showed that the majority of respondents held a Higher National Diploma (HND) or a Bachelor's degree (BA/B.Sc.), with 274 individuals representing 73.5% of the sample. Additionally, those with a Master's degree (M.Sc./MA/MBA) comprised 55 respondents (14.7%), while respondents with a National Certificate in Education (NCE) or National Diploma (ND) accounted for 32 individuals (8.6%). A small proportion had only completed secondary education, amounting to 12 respondents (3.2%). Overall, the data indicates a well-educated sample, predominantly male and married, primarily within the 31–50-year age range.

**Table 2: Regulatory Policy Dynamics**

| Statement | Mean | Standard Deviation | Remark |
|---|---|---|---|
| Q.1. Government policies do not favour new firms. | 3.72 | 1.221 | Agree |
| Q.2. Policy to support new and growing firms is not a high priority at the national level. | 3.82 | 1.004 | Agee |
| Q.3. Policy to support new and growing firms is not a priority at the local government level. | 3.68 | 1.166 | Agree |
| Q.4. Policy on speedily acquiring permits and licenses is inconsistent. | 3.76 | 1.037 | Agree |
| Q.5. Taxes and other government regulations are applied to new and growing firms in an unpredictable and inconsistent way. | 3.91 | 1.010 | Agree |
| Q.6. Tax policies are inconsistent especially for new and growing firms who feel the burden. | 3.61 | 1.156 | Agree |
| Q.7. Coping with government bureaucracy, regulations, and licensing requirements is unduly difficult for new and growing firms. | 4.03 | 0.960 | Agree |
| **Grand Mean ± Standard Deviation = 3.791 ± 0.727** | | | |

Grand Mean ± Standard Deviation = 3.791 ± 0.727

Source: Field Survey, 2023

The interpretation of regulatory policy dynamics based on the five-point Likert scale shows that respondents generally agree that regulatory policies pose challenges for new and growing firms (Table 2). For the statement that government policies do not favor new firms, the mean score of 3.72 indicates agreement, with a relatively high standard deviation of 1.221, suggesting some variation in respondents' opinions. The statement that policy to support new and growing firms is not a high priority at the national level received a mean of 3.82, showing agreement, with a standard deviation of 1.004,

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indicating a moderate level of consensus among respondents. When it comes to the policy to support new and growing firms at the local government level, the mean is slightly lower at 3.68, with a standard deviation of 1.166, reflecting moderate agreement with some variability in responses. Respondents agreed that the policy on speedily acquiring permits and licenses is inconsistent, with a mean of 3.76 and a standard deviation of 1.037, showing general agreement but some differences in views. The statement that taxes and other government regulations are applied unpredictably to new and growing firms has a mean of 3.91, indicating strong agreement, and a standard deviation of 1.010, reflecting relatively consistent responses. Regarding tax policies being inconsistent, especially for new firms, the mean score is 3.61, with a standard deviation of 1.156, indicating agreement but with a broader range of opinions. Lastly, respondents strongly agreed that coping with government bureaucracy, regulations, and licensing requirements is unduly difficult for new firms, with a mean of 4.03 and a standard deviation of 0.960, showing strong agreement with less variation. Overall, the grand mean of 3.791 and a standard deviation of 0.727 indicate that respondents generally agree that regulatory policies are inconsistent and create difficulties for new and growing firms, though there is variability in perceptions across different aspects of regulation.

**Table 4.6: Business Support Policy Dynamics**

| Statement | Mean | Standard Deviation | Remark |
|---|---|---|---|
| Q.1. Policy on obtaining government assistance for new and growing firms is not well defined. | 3.83 | 0.977 | Agree |
| Q.2. Policies on how science parks and business incubators provide support for new and growing firms are inconsistent. | 3.91 | 0.933 | Agree |
| Q.3. Policies that develop government programmes for new and growing firms are inadequate. | 4.09 | 0.983 | Agree |
| Q.4. The people working for government agencies are incompetent and ineffective in supporting new growing firms | 4.01 | 0.953 | Agree |
| Q.5. Policies that guarantee government-assisted programmes in reaching new and growing firms are hard to come by. | 3.91 | 0.929 | Agree |
| Q.6. Government programmes aimed at supporting new and growing firms are ineffective | 3.82 | 1.054 | Agree |
| **Grand Mean ± Standard Deviation = 3.928 ± 0.609** | | | |

Source: Field Survey, 2023

The interpretation of business support policy dynamics based on the five-point Likert scale reveals that respondents generally agree that government support policies for new and growing firms are inadequate and inconsistent (Table 3). For the statement that policy on obtaining government assistance for new and growing firms is not well defined, the mean score of 3.83 indicates agreement, with a standard deviation of 0.977, reflecting moderate consensus among respondents. Respondents also agreed that policies on how science parks and business incubators support new and growing firms are inconsistent, with a mean of 3.91 and a relatively low standard deviation of 0.933, indicating stronger agreement with less variation. The highest level of agreement was for the statement that

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policies developing government programs for new and growing firms are inadequate, with a mean of 4.09 and a standard deviation of 0.983, showing strong agreement and relatively consistent responses. For the statement that people working for government agencies are incompetent and ineffective in supporting new and growing firms, the mean score of 4.01 indicates agreement, with a standard deviation of 0.953, suggesting a relatively consistent perception of government inefficiency. Similarly, respondents agreed that policies guaranteeing government-assisted programs for new and growing firms are hard to come by, with a mean of 3.91 and a standard deviation of 0.929, reflecting agreement with minimal variation. Lastly, respondents agreed that government programs aimed at supporting new and growing firms are ineffective, with a mean of 3.82 and a standard deviation of 1.054, showing slightly more variation but still general agreement. Overall, the grand mean of 3.928 and a standard deviation of 0.609 indicate that respondents consistently perceive government support policies as insufficient and inconsistent, with relatively little variation in their views across different aspects of business support policy dynamics.

**Table 4: Regression Analysis of Effect of Regulatory Policy Dynamic and Business Support Policy Dynamic on Enterprise Growth in South Eastern Region of Nigeria**

| R-Square = 0.312<br>R-Square Change = 0.021<br>F = 51.737<br>p-value = 0.002 | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Model** | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **p-value** | **95.0% Confidence Interval for B** | |
| | **B** | **Std. Error** | **Beta** | | | **Lower Bound** | **Upper Bound** |
| (Constant) | 2.136 | .092 | | 23.218 | .000 | 1.774 | 3.172 |
| Regulatory Policy Dynamic | -.024 | .043 | -.053 | -.554 | .580 | -.109 | .061 |
| Business Support Policy Dynamic | -.300 | .048 | -.556 | -6.278 | .000* | -.394 | -.206 |
| a. Dependent Variable: Enterprise Growth | | | | | | | |

Source: Computed by Researcher using IBM SPSS Version 20.0

The regression analysis presented in Table 4 investigates the effects of regulatory policy dynamics and business support policy dynamics on enterprise growth in the South-Eastern region of Nigeria. The analysis reveals an R-squared value of 0.312, indicating that approximately 31.2% of the variance in enterprise growth can be explained by the two independent variables included in the model. This suggests a moderate level of predictive power, highlighting that other factor beyond regulatory and business support dynamics may also contribute to enterprise growth. The F-statistic of 51.737 with a p-value of 0.002 indicates that the overall model is statistically significant, meaning that at least one of the independent variables significantly predicts enterprise growth. In terms of individual contributions, the unstandardized coefficient for regulatory policy dynamic is -0.024, with a corresponding p-value of 0.580. This suggests that regulatory policy

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dynamics do not have a statistically significant effect on enterprise growth, as the p-value exceeds the conventional threshold of 0.05. The negative coefficient further implies that as regulatory policy dynamics improve, there is a negligible negative effect on enterprise growth, although this result is not significant. Conversely, the business support policy dynamic shows a strong and significant relationship with enterprise growth, represented by an unstandardized coefficient of -0.300 and a p-value of 0.000. This result indicates that a one-unit increase in business support policy dynamics is associated with a 0.300 decrease in enterprise growth, suggesting that adverse changes in business support policies may hinder the growth of enterprises significantly. The confidence interval for this coefficient ranges from -0.394 to -0.206, reinforcing the conclusion that business support dynamics have a statistically significant negative impact on enterprise growth. In summary, while regulatory policy dynamics appear to have a negligible effect on enterprise growth, the findings highlight that the reversal of business support policies significantly hinders the growth potential of enterprises in the South-Eastern region of Nigeria. These insights can inform policymakers to focus on stabilizing business support initiatives to foster a more conducive environment for enterprise growth.

## DISCUSSION

The regression analysis conducted in this study reveals important insights into the impact of regulatory policy dynamics and business support policy dynamics on enterprise growth in the South-Eastern region of Nigeria. The R-square value of 0.312 indicates that approximately 31.2% of the variance in enterprise growth can be explained by the independent variables included in the model. This suggests that while regulatory and business support policies are significant factors, other variables may also play critical roles in influencing enterprise growth, aligning with findings from other studies that emphasize the multifaceted nature of business growth factors (Olawale & Garwe, 2010; Nwachukwu et al., 2020). The regression results indicate a negative unstandardized coefficient of -0.024 for regulatory policy dynamics, accompanied by a p-value of 0.580, which is not statistically significant. This suggests that changes in regulatory policies have a negligible effect on enterprise growth, supporting the notion that while regulatory frameworks are crucial, their direct impact on growth may be less pronounced in the context of South-Eastern Nigeria. This finding contrasts with the work of Adebisi and Ogunrinola (2021) and Ogunyemi (2018), who argued that regulatory frameworks are critical determinants of MSME growth, highlighting a potential area for further research to explore the nuanced relationships between various regulatory factors and business outcomes. Conversely, the business support policy dynamic presents a starkly different picture. The unstandardized coefficient of -0.300 and a highly significant p-value of 0.000 indicate that the reversal of business support policies has a substantial negative impact on enterprise growth. This finding aligns with the views expressed by respondents regarding the insufficiency and inconsistency of government support policies. The significant t-value of -6.278 further underscores the strength of this relationship, emphasizing that effective business support policies are vital for fostering an environment

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conducive to enterprise growth. This is consistent with previous research that underscores the critical role of business support initiatives in enhancing the competitiveness of MSMEs (Adebisi & Ogunrinola, 2021; Abereijo & Kamara, 2008, Ogunyemi & Adeyemi, 2020). In summary, the findings highlight the urgent need for policymakers to stabilize and enhance business support initiatives to create a conducive environment for enterprise growth. As noted in the regression analysis, while regulatory policy dynamics may have a limited direct impact on growth, the reversal of business support policies is a significant hindrance. Policymakers must focus on consistent support frameworks to mitigate the adverse effects of policy reversals, which can stifle innovation and growth within MSMEs in South-Eastern Nigeria. By prioritizing the stabilization of business support initiatives, there is potential for fostering a more supportive ecosystem for MSMEs, ultimately contributing to economic development and job creation in the region.

## CONCLUSION

In conclusion, this study highlights the considerable impact of business support policy dynamics on the growth of MSMEs in South-Eastern Nigeria. While regulatory policies show minimal influence on enterprise growth, inconsistencies in business support policies present a significant challenge. Consistent and stable support mechanisms are crucial for fostering a favorable business environment and enabling economic progress. The findings also reveal a consensus among respondents regarding the inadequacy of government support, aligning with other studies.

Addressing these gaps would enable MSMEs to navigate challenges more effectively, leading to greater resilience and growth potential. Further research is needed to explore the complex relationship between regulatory policies and enterprise growth in Nigeria. Identifying additional influencing factors will help policymakers develop more effective strategies, contributing to the sustainability and success of MSMEs, which are vital for regional economic development.

### Recommendations

1. The policymakers should prioritize consistent and long-term support initiatives, such as grants and tax incentives, to mitigate the adverse effects of policy reversals on MSME growth
2. Government in the south eastern region need to establish a systematic review process for existing regulations, involving MSMEs in decision-making to foster a more conducive environment for business growth.
3. The state government in South eastern part of Nigeria should develop training initiatives for MSME owners and employees in critical areas like financial management and compliance, enhancing their ability to navigate challenges effectively.

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