

Full Length Research Paper

Nature of home based enterprises (HBEs) in Aba, Abia State, Nigeria

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Major sources of employment and income generation for urban residents in Nigeria and most other developing countries are found in what is referred to as Home Based Enterprises (HBEs). In Nigeria, a wide range of economic activities fall within these enterprises. These enterprises provide residential neighbourhoods with a range of services. The HBEs face a number of operational problems. Using data from Aba, the major economic centre of Abia State, Nigeria, the paper demonstrates the heterogeneous nature of HBEs, highlights their job creation potential and shows that about 61% of the operators dispose of solid waste generated by their enterprises through other sources outside government waste collection containers.

Key words: Retailing and provision store, electrical repair shop, employment generation.

INTRODUCTION

Home Based Enterprises (HBEs) are generally seen as those micro and small enterprises where trade takes place in or very close to residential or the home rather than in a commercial or industrial building or area (Tipple, 2005). Some HBEs have both a home based component (that is, making food) and non-home based component (e.g. selling food in the street). It needs to be recognized here that the former is regarded as a production HBE, while the later is not retail HBE, but instead a non-home based activity to which the HBE contributes. In the same vein, a three wheeled tricycle (Keke or Tuketuke) driver or a commercial motorcycle rider who keeps his vehicle in the house at nights (after the day's business) is not an HBE. Fass (1980) noted how important home storage may be for many enterprises, but in this work, such

storage was not recognized as an HBE in its own right. In addition, while renting out rooms to other people may be seen as one of the most important methods of earning money using the home in the urban areas of Nigeria and other developing countries, however, renting does not represent a change of use from residential, a fundamental aspect of the whole concept of HBEs. Thus, renting rooms within a residential building is not expected to affect the dwellings or neighbourhoods as other non-HBEs do. Therefore, it was not recognized in this work, renting of rooms as a HBE. Nappier et al. (2000) noted that generally, some HBE operations negatively affect their neighbours, while Tipple et al. (2002) observed that HBEs generate some dangerous and unpleasant substances in their operations.

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Theoretically, the study of HBEs rests on three positions in academic and policy circles. The first is the changing perception on poverty and the poor. Poverty is often perceived by the classical thought narrowly, as a lack of income and the poor, as a homogeneous group of rather passive victims. However, by the late 1990s, alternative views began to emerge, which acknowledged the complexity and diversity of the poor and poverty. These views were based on an actor-oriented perspective focusing on the activities people undertake to sustain and change their lives often in difficult situations. A second position revolves round the acceptance by planners and housing experts that habitat is more than a consumptive asset and must include productive activities strongly integrated into the domestic and reproductive sphere of the household. Thirdly, is the view from neo-liberal positions in development and actions which accepts entrepreneurship as an important tool in poverty reduction. Thus, poor people should therefore be encouraged to develop their entrepreneurial skills and nurture enterprise with government removing inhibitions that constrain the emergence of such entrepreneurial activities (Verrest, 2007).

Lawanson and Olarenwaju (2012) see HBEs as income generating activities which take place within a dwelling and their broader physical context. By this definition, the arrangement of spaces that may be involved in the activities of HBEs include, the dwelling (house), the courtyard, the street (immediate to the given house) as well as the broader neighbourhood and available spaces. This is a rather wide definition but captures the physical spaces within which HBEs operate in Nigeria and most urban areas of the developing world.

The literature on the HBEs in the urban areas of the developing world and not only in the developing countries is quite extensive. However, emphasis has been on the employment generating potential of HBEs in Asia and Africa. Surprisingly, not a lot of research effort has been done on this rather prevalent set of enterprises in Nigeria, the biggest country (in terms of population) in Africa. Kellet and Tipple (2000) draw on a pilot study into the housing implications of home based enterprises in a squatter settlement in New Delhi, India. Napier and Mothwa (2001) writing on Pretoria, South Africa examined the assumption that HBEs could be an endless provider of employment. Mahmud (2003) explored the potential of women and domestic spaces in the 'bustees', and how they are involved in economic activities in Dhaka, Bangladesh. Gough et al. (2003) in their study of Accra and Pretoria noted that in the two cities, HBEs are widespread, provide an important place of work especially for women and contribute significantly to household incomes. Mason et al. (2008) noted that in the UK, as at 2005, home based businesses accounted for 36% of all businesses.

Coming to Nigeria, not many works are available in the literature on home based enterprises in the urban areas

of the country. One of the earliest available efforts is that by Onyebueke (2001). This work noted that HBEs were neglected in official circles, without well defined guidelines and strategies for dealing with their activities. Lawanson (2012) examined the major characteristics and effects the HBEs have on urban planning in Lagos Metropolis, Nigeria, concluding that about 45% of operators of these enterprises relied solely on the home based enterprises for sustenance, while about 19% of the operators of HBEs are employed in other means of employment. Lawanson and Olanrewaju (2012) in their work on HBEs in the low income residential areas of Lagos Metropolis identified the importance of the HBEs as a major source of income generation and socialization. Abolade et al. (2013) investigated the impact of HBEs on the quality of life of residents in Ibadan, North Local Government Area of Oyo State, Nigeria, noting that operators of these enterprises were satisfied with their activities. Baba et al. (2015) writing on HBEs as typified by automobile repair artisans, noted the exclusiveness suffered by these activities with no purpose built workplaces.

While the efforts of the aforementioned researchers were commended on the work done in Nigeria, it is pertinent to note that for a country with an estimated urban population of about 85 million (World Bank, 2014). These efforts should be seen as a drop in the ocean of work needed in the area of home based enterprises in the country. This paper therefore attempts to add to the aforementioned knowledge on HBEs in Nigeria in a number of areas. So far no work has been done on HBEs in Aba, a major commercial city in Nigeria; this paper tries to remedy that. The aforementioned efforts seem not to have effectively captured the heterogeneous nature of home based enterprises in the urban areas of Nigeria or provide a mechanism for assessing the employment generated by the HBEs. This work attempts a remedy to this weakness. Another justification for this study is to identify some of the operational problems which the HBEs face. As an economic activity possible negative consequences are bound to emerge and this paper examines ways which the HBEs have adopted to dispose of generated solid waste.

This paper is divided into four parts. The first is the introduction which attempts a definition of HBEs and provides a review of available literature on the subject across the world and certainly in Nigeria. The second part of the paper is a brief description of the area of study. The third part of the paper is the methodology. The fourth part of the paper is the discussion of results from analysis of data drawn from the area. The fifth and final part of the paper is the conclusion.

Case study area

Aba is a city located in the southeastern part of Nigeria.

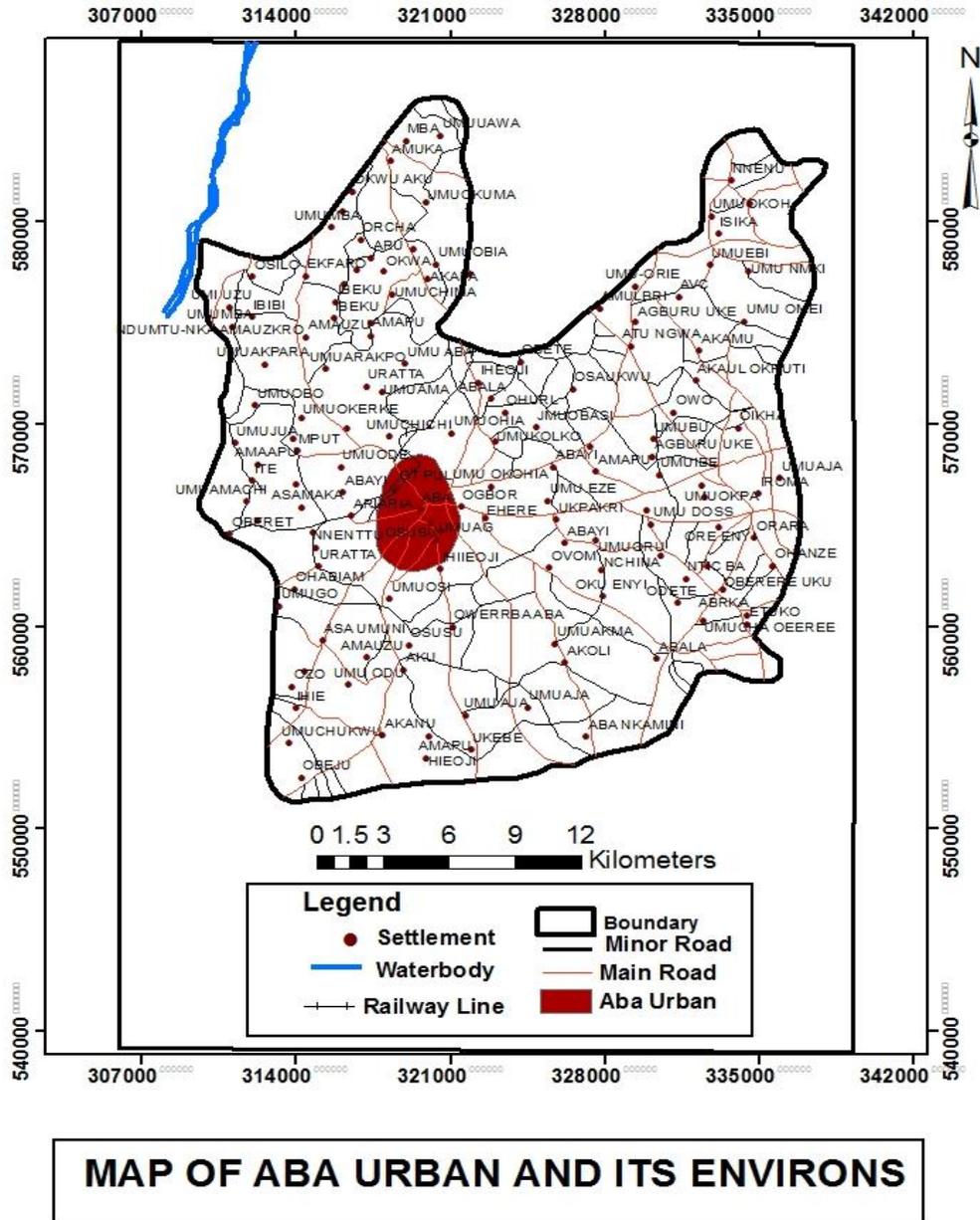


Figure 1. Map of Aba Urban and Environs.

Figure 1 is a map of Aba urban and its environs. The coordinates of Aba urban using the Universal Transverse Mercator (UTM) system are 318944 Easting and 564869 Northing. The urban area of Aba is the main trading and commercial center in Abia State, Nigeria. The main urban area of Aba falls within two local government areas of Aba South and Aba North. The urban area of Aba is bounded to the west and north by the communities of Osisioma, with the communities of Obingwa to the east and Ugwunagbo communities to the east. Aba South is the main city center and the economic heart beat of Abia State. As at 2010, Aba had a projected population of

about 836,000 persons (United Nations, 2012). The commercial status of Aba provides a significant justification for the choice of the town for a study of this nature on the operation of home based enterprises.

MATERIALS AND METHODS

The research design adopted for this study is largely quantitative, to generate quantitative data about the operations of the HBEs; in the form of a sample survey of the target population under study; that is operators (owners) of home based enterprises. The data collection instrument is fully structured questionnaire. This is informed by the

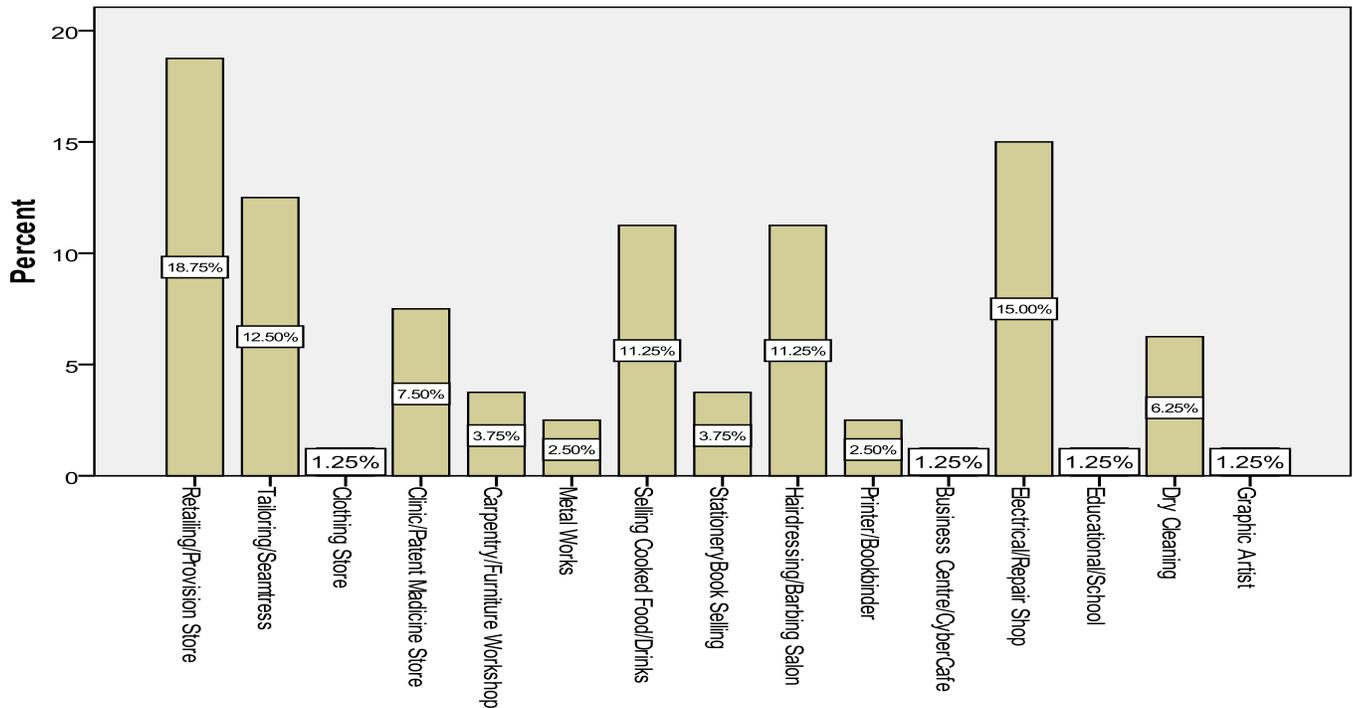


Figure 2. Types of HBEs in Aba Urban.

need to generate numerical values for the variables to help determine the socio-economic characteristics of the operators of the HBEs in the residential neighbourhoods of Aba urban, and the use of quantitative research design approach by other researchers who have studied similar process in other parts of the world (Napier and Mothwa, 2001; Gough et al., 2003; Mason et al., 2008; Lawanson and Olanrewaju, 2012). To achieve standardization of data collection instruments adopted, structured standardized questionnaires were used in the collection of data for this work. Creswell (2003) and Punch (2005) inform the choice of this approach. All the questionnaires consisted of pre-prepared questions, with a set of answers from which the respondents had to choose. The main advantage of this approach is its ability to achieve reliability and comparability of measurements. Another advantage of this approach is the standardization it brings to bear on the survey since field assistants were used in the survey exercise.

The residential neighbourhoods in Aba urban sampled to obtain data for the purposes of this study and the numbers of HBE owners (Operators) are: Ogborhill Residential Neighbourhood with 27 HBE operators sampled; Amamuong (Ngwa Road) Residential Area with 33 HBE operators sampled and Ezianya Residential Area with 20 HBE operators sampled. These neighbourhoods appear to have the largest concentration of HBE operators in the area under study.

The simple random sampling method adopted was because of its unbiased attribute to obtain data from the operators of the home based enterprises. With no frame of operators of home based enterprises in the residential areas of Aba urban, field assistants were employed to move around the residential neighbourhoods of the area sampling operators of HBEs working in residential buildings they visited. The field assistants read out (face-to-face interview) the fully structured questionnaires to the operators of the home based enterprises that were present at the time of the visit and ticked off the domain responses. The exercise was conducted

over a period of six weeks. A total of 80 respondents were sampled using simple random approach, to obtain the data for this research in the residential neighbourhoods of Aba urban, Abia State, Nigeria. Collected quantitative data was analyzed using the Statistical Packages for the Social Sciences (SPSS) version 17 to generate tables and to rank variables, using Friedman test a Non Parametric technique.

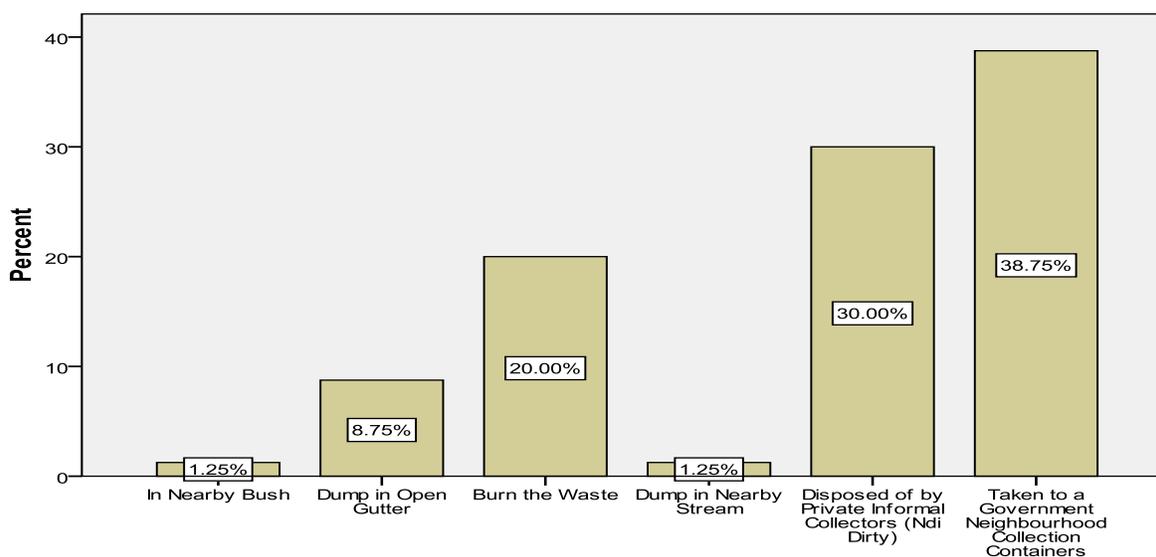
RESULTS AND DISCUSSION

Analyses of obtained data showed a wide broad of activities and trades operating as home based enterprises in Aba urban, Abia State. Figure 2 provides a breakdown of the types of enterprises operating from homes as HBEs in the area of study. It shows that almost 19% of the HBEs are in Retailing and Provision stores. These serve as corner shops where residents come to purchase basic-day to-day needs such as bread, milk and sugar. These reaffirm the conclusions by Tipple (2005) and Lawanson and Olanrewaju (2012)

The second highest group of HBEs is the electrical repair shops, where residents go for the repair of their electrical appliances such as electric fans, radio and television sets and sell of spare parts. Other enterprises and trades include tailoring and seamstress, hairdressing and barbing salon, selling of cooked food and drinks, Clinics and Patent Medicine stores as well as educational activities. On the whole, a total of 15 separate trades and activities are captured in Figure 2 as a demonstration of

Table 1. Mean sum numbers of persons employed by HBEs in Aba Urban.

Valid Number	80
Missing	0
Mean	2.275
Sum	182.0

**Figure 3.** Disposal of generated solid waste by HBE operators in Aba Urban.

the range of HBEs in the residential neighbourhoods of Aba urban. This range of trades and economic activities demonstrates heterogeneous nature of the HBEs, inherent entrepreneurial skills and innovativeness in the operations and within the operators of the home based enterprises that need to be supported and encouraged.

One other important area of interest about HBEs, the world over is the argument on the contribution to the urban economy through the employment created by these trades and activities. Table 1 shows that the mean number of persons employed by HBE operators from collected data in Aba urban is just about two persons. The data shows just the numbers employed in addition to the operator. Thus, it is the operator and an additional two employees on the average per HBE operation. This may not sound fantastic or impressive going by the often stated potential the HBEs have for employment generation. However, the potential magic the HBEs seem to have in creating employment for urban residents particularly the urban poor is in the large numbers of HBEs spread across the residential neighbourhoods of our urban areas. Home based enterprises in the cities and towns in the developing countries including Nigeria run into hundreds and thousands. When we multiply these with the mean number of employees per HBE, we begin to see the real contribution and impact these

enterprises have in employment creation particularly for those who seem not to have alternative areas of employment. This is where the strength of the HBEs lies as far as employment creation is concerned. The HBEs may not also score very highly in terms of wages paid employees compared to workers in government employment and employees in multinational establishments. For the urban unemployed who have been in search of employment for years, the little amount paid serves as an important stepping stone in the employment ladder but more importantly, however, is that the employees have something doing no matter how small or meager the wage.

That home based enterprises are a significant aspect of urban life in the cities and towns of Nigeria and many others areas of the developing world is no longer in doubt. So far, we have been able to demonstrate the heterogeneous nature of these enterprises in Aba urban Abia State, Nigeria. We have equally shown the potential these activities have in employment generation. However, we must not fail to examine some of the other aspects of these enterprises; after all, operators of the HBEs carry out their activities in areas ordinarily set aside not for commercial activities, and in the process generate solid waste. Figure 3 shows a breakdown of how generated solid waste in the course of the operations of

Table 2. Operational problems faced By HBEs In Aba Urban

Variable	Ranks	Means
No operational problems	4	1.00
Erratic power supply	1	3.69
Funds to expand business	2	3.26
New recruits to join HBEs	3	2.05

N: 80, Chi square: 213.315, df-3, Asymp. Sig 0.000

the HBEs is disposed. From Figure 3, about 39% solid waste generated by the HBEs is taken to government neighbourhood collection provided by government agencies to serve households who ordinarily reside in the area where these containers are located. It should be noted however, that the government agencies that provided these waste collection containers may not have made provision for the waste generated by the HBEs operating in the area. Figure 3 also more importantly, indicates that about 61% of the sampled HBE operators disposed generated solid wastes either through private informal collectors, burning the waste or dumping wastes in the gutters. This latter problem is a major consequence and not positive, compared to the employment generated by the HBEs, but rather a negative one emanating from the activities of the HBEs in residential areas. These reaffirm the findings by Nappier et al. (2000).

Having examined some of the positive and negative consequences of the activities of the home based enterprises in Aba urban, Aba State Nigeria it is pertinent to note that development activities generally are riddled with good and not so good sides. Efforts must be made to maximize the positives and as much as possible minimize the negatives. In this vein there is need to consider some of the challenges and problems the operators of home based enterprises sampled in Aba indicated to be those that need to be overcome for improvement in their entrepreneurial and job creating activities. Using the Friedman Test, a Non Parametric statistic, Table 2 shows the means and ranks of the responses given by the operators of the home based enterprises as the operational problems they face. Erratic power supply has the highest mean rank of 3.60 followed by Funds to expand their businesses. The new recruits (labour to be employed) variable comes third. The challenges to businesses in Nigeria by erratic power supply and funding thus are not peculiar to the very large enterprises. The micro and small scale businesses also face these difficulties and many would argue that they are the hardest hit by these problems.

Conclusion

HBEs have become significant features of the landscape in the residential neighbourhoods of Aba urban, Abia

State, Nigeria. Operators of these enterprises have demonstrated entrepreneurial skills and their activities cover a wide range of economic activities. Residents in the neighbourhoods patronize the HBEs to cater for their day-to-day needs. In the process, HBEs have equally contributed to the urban economy through providing employment to a large number of urban dwellers particularly the poor who may not have other means of employment. It must however be noted that the potential which the HBEs have in employment generation is in the very large numbers of these enterprises operating in all urban residential neighbourhoods in Nigeria. In the absence of alternative means of employment it is suggested that the operating difficulties faced by the HBEs be looked into on both the demand and supply sides. However, every economic activity has its flip side. For the HBEs sampled in this study, a much larger percentage of the operators dispose generated solid waste outside government provided neighbourhood waste collection containers. This aspect of the negative consequences of the operations of the HBEs needs to be examined by the relevant waste collection and disposal agency in Abia State, Nigeria for possible remedy.

Conflict of Interests

The authors have not declared any conflict of interests.

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