Economic Factors and the Growth of Apparel Micro-Enterprises in Nakuru Town, Kenya

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ABSTRACT:

Nakuru town, Kenya, boasts a burgeoning apparel industry with significant potential for economic advancement and job creation. However, this sector faces numerous challenges that hinder its growth and development. The study investigated the effects of economic factors on the growth of apparel micro-enterprises in Nakuru town, Kenya. This study adopted a descriptive cross-sectional research design and targeted 329 employees in 47 micro-enterprises based in Industrial area in Nakuru town. The study used Yamane's (1967) formula to determine the sample size where 181 respondents were involved in the study. Simple random, stratified and systematic sampling techniques were used. Both quantitative and qualitative data was collected using questionnaires._Data was collected through drop and later pick method and was analyzed with the aid of Statistical Package for Social Sciences software version 25. Both descriptive (frequencies, percentages, means and standard deviation) and inferential statistics (multiple regression) were carried out. Data was presented using graphs and tables. Results showed that 59.6% of the respondents were male while 40.4% were female, majority (34.0%) were aged 41–50 years, 35.9% were in women apparel business**,** 37.8% were sole proprietors while 40.4% were in business operation for more than 6 years. Descriptive statistics showed that respondents agreed that economic factors (Mean - 3.97) affected the growth of apparel micro-enterprises in Nakuru town, Kenya. Inferential statistics showed that economic factors (β = 0.669, p = 0.000) had a positive and significant effect the growth of apparel micro-enterprises in Nakuru town, Kenya. The study concludes that economic pressures, including low incomes and inflation, hinder apparel micro-enterprises' growth by raising costs and limiting demand. Limited financing constrains expansion. The study recommends tax simplification, political stability, improved access to credit, infrastructure investment, and capacity-building programs to enhance resilience, competitiveness, and sustainable growth in the apparel micro-enterprise sector.

Key words: Economic factors, Growth, Apparel micro-enterprises, Nakuru, Kenya

1. INTRODUCTION

The growth of micro-enterprises in the apparel industry plays a pivotal role in economic advancement and job creation.

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Micro-enterprises represent a significant portion of the global apparel market, fostering innovation, creativity, and competitiveness (OECD, 2020). These enterprises not only contribute to the economic fabric of their respective regions but also support sustainable practices by emphasizing local sourcing and production (UNIDO, 2021). The rise of e-commerce and digital marketing has further transformed the landscape for micro-enterprises, enabling them to reach broader audiences and respond swiftly to consumer trends (McKinsey & Company, 2022). Additionally, the emphasis on ethical fashion has prompted many micro-enterprises to adopt sustainable practices, thereby enhancing their market appeal and resilience in an increasingly conscientious consumer base (Fashion Revolution, 2023).

Globally, Turkey, with its rich textile heritage and strategic geographical position, has become a significant player in the global apparel market (World Bank, 2021). Micro-enterprises in this sector not only enhance innovation and competitiveness but also contribute to the local economy by fostering entrepreneurship and creating jobs (Turkish Statistical Institute, 2023). The increasing demand for fast fashion and sustainable products has driven Turkish micro-enterprises to adapt quickly, embracing digital transformation and sustainable practices. Moreover, KPMG (2023) connoted that government initiatives aimed at supporting micro-enterprises, such as funding programs and export incentives, have further catalyzed their growth.

In Kenya, with a burgeoning youth population and increasing urbanization, micro-enterprises in the apparel sector have become pivotal in meeting local and international demand for diverse and affordable fashion (Kenya National Bureau of Statistics [KNBS], 2022). Government policies and initiatives aimed at enhancing the business environment, such as the “Buy Kenya, Build Kenya” policy, have fostered an ecosystem conducive to micro-enterprises growth (Ministry of Industry, Trade and Cooperatives, 2021). Additionally, the rise of digital platforms has enabled micro-enterprises to access broader markets and streamline their operations, leading to increased competitiveness (McKinsey & Company, 2023).

In Nakuru, the growth of micro-enterprises in the apparel industry is vital for local economic empowerment and employment generation. Nakuru, with its strategic location and expanding urban population, has become a burgeoning hub for textile and clothing enterprises, contributing significantly to the region's economic landscape (Kenya National Bureau of Statistics [KNBS], 2022). Recent government initiatives, particularly under the "Big Four Agenda," emphasize the manufacturing sector, offering micro-enterprises access to funding, training, and market opportunities (Ministry of Industry, Trade and Cooperatives, 2021). Furthermore, the rise of e-commerce has enabled local apparel businesses to reach wider markets, facilitating growth and enhancing competitiveness.

Economic factors refer to the financial and market-related elements that influence the functioning and performance of businesses. These factors include income levels, inflation rates, exchange rates, access to finance, and overall economic stability. One key economic factor is access to finance. Many micro-enterprises in Nakuru face challenges in securing affordable credit due to high-interest rates and the lack of collateral, which limits their ability to invest in technology, raw materials, and skilled labor (Mwangi, 2021). Moreover, income levels and the purchasing power of consumers in Nakuru influence the demand for locally produced apparel. When consumers face economic constraints, they may opt for cheaper alternatives, such as second-hand clothes, affecting local manufacturers (Omondi, 2022). Additionally, inflation and exchange rates can have significant effects on the cost of production. As the price of raw materials increases due to inflation or unfavorable exchange rates, micro-enterprises may struggle to maintain affordable pricing for their products while ensuring profitability (Karanja, 2023). These economic pressures can lead to reduced market share and lower economic growth for apparel micro-enterprises, affecting their overall socio-economic status.

2. THEORETICAL REVIEW

This study was anchored on Enterprise Life-Cycle Model. The Enterprise Life-Cycle Model developed by Hanks et al. (1993) offers a framework for understanding the various stages of growth that small and medium enterprises (SMEs) experience throughout their operational lifespan. This model is particularly relevant to the study of the growth and development of SMEs in the apparel industry, as it provides insights into the challenges and opportunities that businesses face at different stages of their lifecycle.

Hanks et al. (1993) posit that enterprises typically go through five distinct stages: existence, survival, success, take-off, and resource maturity. Each stage is characterized by specific challenges and opportunities, as well as varying management needs and operational focuses. In this initial stage, the primary concern is survival. Enterprises must establish a customer base and develop a viable product or service. For SMEs in the apparel industry, this often involves navigating market entry challenges and building relationships with suppliers and customers. Once a firm has established itself, it must focus on achieving profitability and financial stability. In the apparel sector, this stage might see SMEs working on refining their production processes and addressing operational inefficiencies.

At the third stage (Success), firms have achieved profitability and can explore growth options. For apparel SMEs, this could involve diversifying product lines, expanding to new markets, or investing in branding. The take-off phase is marked by rapid growth and the need for significant resource investment. Apparel SMEs may require additional financing to scale operations, enhance production capabilities, or improve marketing efforts. In the final stage (resource maturity), companies must focus on maintaining their market position and managing resources effectively. This might involve exploring new avenues for innovation or reassessing their business models to remain competitive (Hanks et al., 1993).

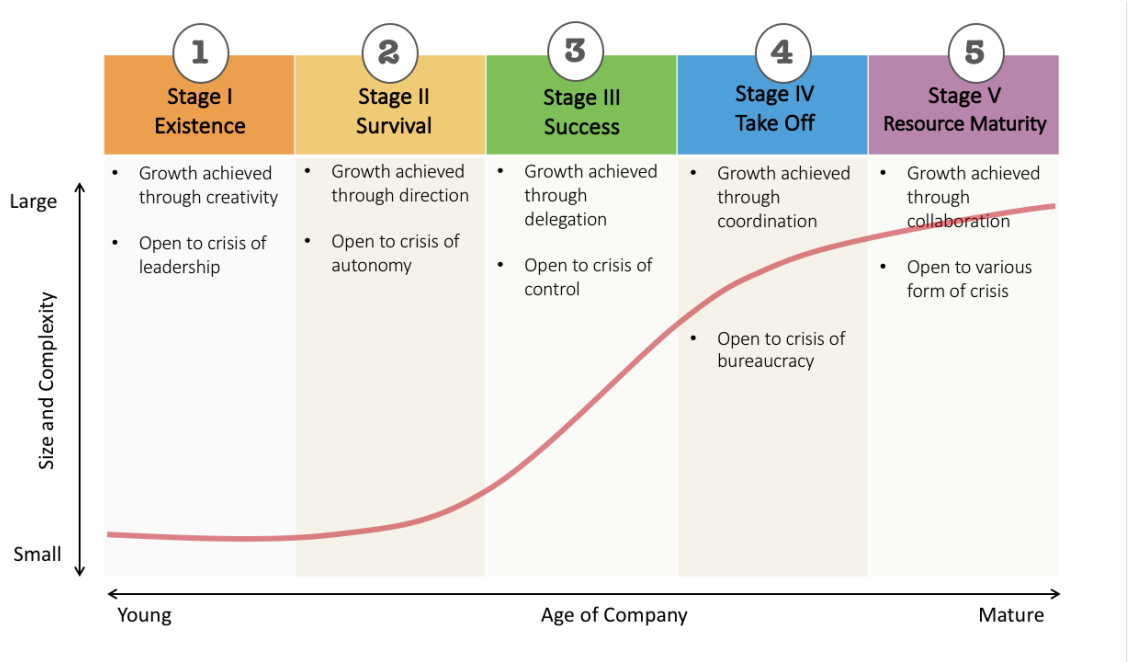

Figure 1: **Enterprise Life-Cycle Model**

Source: Google (2025)

The implications of the Enterprise Life-Cycle Model are substantial for apparel micro-enterprises. Understanding which stage, a business is in can help entrepreneurs tailor their strategies and resource allocation effectively. For instance, recognizing that a firm is in the "existence" stage may prompt a focus on customer acquisition and product development, whereas a firm in the "take-off" stage may need to prioritize securing financing and scaling operations. Moreover, this model emphasizes the importance of managerial capabilities at each stage. For apparel micro-enterprises, strong management skills are crucial for navigating the complexities of production, supply chain management, and marketing as they progress through the life cycle (McKinsey & Company, 2022).

Despite its utility, the Enterprise Life-Cycle Model has faced criticism. Some scholars argue that it oversimplifies the growth process by suggesting a linear progression through the stages, which may not reflect the realities faced by many SMEs (Harrison & Leitch, 2005). Additionally, the model does not account for external factors such as market fluctuations, regulatory changes, and technological advancements that can significantly impact an enterprise's growth trajectory.

In the context of the apparel industry in Nakuru, Kenya, the Enterprise Life-Cycle Model can serve as a valuable tool for understanding the specific challenges that local SMEs face. By applying this model, researchers and practitioners can identify the critical factors that influence growth and development, such as access to finance, market competition from second-hand clothing, and the need for innovation in design and production processes. Furthermore, this model can inform policy recommendations aimed at supporting SMEs in various life-cycle stages, ensuring that they have the necessary resources and guidance to thrive.

3. EMPIRICAL REVIEW

A research aimed at assessing the impact of inflation on the performance of Small and Medium Enterprises in Kenya, focusing on its influence on the export growth of SMEs was done by Karuku (2023). The analysis utilized secondary panel data sourced from the World Bank Enterprise Survey for the years 2007, 2013, and 2018, chosen for its comprehensive coverage of relevant variables. Employing panel data techniques such as Random Effects or Fixed Effects models, with guidance from the Hausman test, facilitated a robust examination. Findings showed that SMEs export performance in Kenya was enhanced by positive perception of inflation, technology from foreign, age and number of establishment.

The effect of financing options on financial performance of apparel and textile manufacturing companies in Nairobi was Gisele, Githui and Muhavani (2022). The study employed a descriptive research design and targeted top and middle level managers in the 39 apparel and textile manufacturing companies in Nairobi. The study used both stratified sampling and purposive sampling techniques to select a sample size of 156 respondents. The study used questionnaire to collect primary data from the respondents. The data was analyzed with the aid of SPSS using both descriptive statistics and inferential statistics. The study found that equity financing had a positive and significant effect on financial performance of apparel and textile manufacturing companies

Islam et al. (2020) did a study on the challenges of small and medium enterprises in business growth focusing on the footwear SMEs in Bangladesh. A set of survey questionnaire was prepared using Google docs and was emailed to four entrepreneurs in the leather industry to get their feedback. Fuzzy analytical model was used in analysis. Results showed that access to finance was a critical challenge in the footwear industry.

Ndirangu (2019) sought to analyze the factors that influenced the growth of clothing retail companies in Kenya using Jade Collections as the case of the study. The study was conducted using Jade Collection branches in Nairobi and Kiambu Counties totaling 4. The study employed a descriptive research design to analyze data collected from 57 Senior managers included in the study using a census sampling technique. Questionnaires were utilized for data collection. Data collected was analyzed using SPSS for Pearson's Chi Square tests and Microsoft Excel for Descriptive statistics of means, frequency distributions and standard deviations. Access to finance significantly influenced growth of clothing retailers in Kenya.

4. RESEARCH METHODOLOGY

Research Design

A research design refers to the framework or plan that guides the collection, analysis, and interpretation of data in a scientific study (Creswell & Creswell, 2023). It outlines the overall strategy for addressing research questions or hypotheses and ensures that the study is organized, systematic, and credible. This study adopted descriptive cross-sectional research design which involves observing a population or phenomenon at a single point in time to describe its characteristics or conditions (Neuman, 2021). This design is useful for assessing variables, identifying patterns, and providing a snapshot of the subject being studied. It does not investigate causal relationships or changes over time but rather focuses on describing the current state of affairs (Creswell & Creswell, 2023).

Target Population

The target population refers to the entire group of individuals or elements that the researcher is interested in studying or generalizing to (Babbie, 2022). It represents the specific group to which the findings of a study are intended to apply. This study targeted 47 owners and 329 employees in the 47 apparel micro-enterprises based

at the Industrial area in Nakuru town. The list of the SMEs was obtained from the Department of Trade or Licensing Office in Nakuru. Apparel micro-enterprises owners are critical informants as they are the primary decision-makers responsible for strategic choices, including innovation, resource allocation, and responding to socio-economic factors. Their insights are vital for understanding how these factors influence business growth. Employees, on the other hand, offer a ground-level perspective on operational challenges, workplace conditions, and the impact of socio-economic factors on productivity and business performance. Including both groups ensures a comprehensive understanding of how internal and external socio-economic dynamics affect SME growth.

Sample Size and Sampling Procedure

The sampling procedure is the method used to select a subset of individuals or elements from a larger population for inclusion in a research study while sample size is the number of participants or elements included in the sample (Rahi, 2017). Sampled employees were obtained using Yamane's (1967) formula.

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

Where:

n = Sample size

N = Sum of population figure of 329

E = Maximum limit of tolerable error (0.05)

Hence, $n = \frac{329}{1 + (329 \times 0.0025)} = 181$ respondents

To sample respondents to take part in the study, first, simple random sampling was used to identify the apparel micro-enterprises to be included in the study from the list of all registered apparel micro-enterprises within the industrial area. This ensured that each apparel micro-enterprise had an equal and unbiased chance of selection. After the apparel micro-enterprises had been selected, stratified sampling was applied to categorize respondents into three distinct strata: men, women and children apparels. This stratification ensured that the groups were adequately represented in the study. Finally, systematic sampling was used to select employees from each selected apparel micro-enterprise. A sampling interval was determined by dividing the total number of employees by the required sample size, and every *k*th employee was selected from employee lists provided by the apparel micro-enterprises. This approach ensured an even and representative distribution of employee respondents across all selected enterprises.

Table 1: Target population and Sample size

SME Category	Target Population	Sample Percentage (%)	Sample Size
Women apparel	113	34.4	62
Gents apparel	64	19.5	35
Children apparel	34	10.4	19
Apparel for all genders and ages	118	35.7	65
Total	**329**	**100**	**181**

Research Instruments

Data collection was done using questionnaires. Questionnaires are tools utilized to systematically collect data from participants through a series of questions aimed at obtaining specific information pertinent to the research goals (Dillman et al., 2021). These instruments are designed to gather detailed responses that align with the study's objectives, ensuring that the collected data is relevant and useful for analysis. Questionnaires were both open-and-closed ended and the questions were framed in a likert scale.

Data Analysis

Data analysis for this study was conducted using the Statistical Package for Social Sciences (SPSS) software to ensure accurate and efficient processing of the collected data. The analysis included both descriptive and

inferential statistical techniques. Descriptive statistics were employed to summarize the basic features of the data, generating measures such as frequencies, percentages, means, and standard deviations. Inferential statistics were applied to examine relationships between variables. Specifically, correlation analysis was used to determine the strength and direction of the relationships between economic factors and growth of apparel micro-enterprises. Additionally, multiple regression analysis was conducted to assess the combined effect of the independent variables on the growth of the apparel micro-enterprises, identifying which factors significantly influence growth. Data was presented using graphs and tables.

5. RESULTS AND DISCUSSION

Demographic Characteristics of the Respondents

Gender of the Respondents

The target respondents were to state their gender. Results show that 59.6% of the respondents were male while 40.4% were female. Figure 2 displays the results.

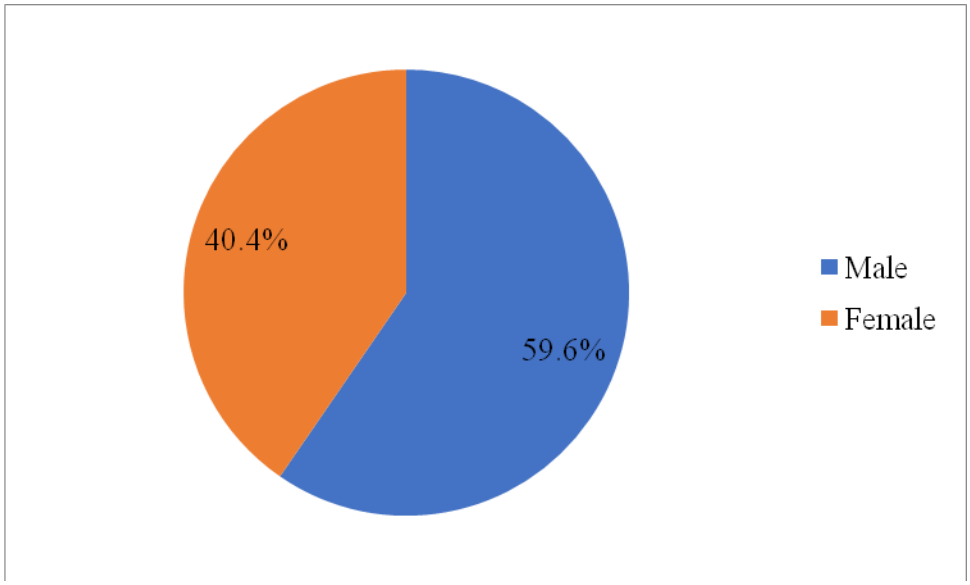

Figure 2: Gender of the Respondents

Results showing that 59.6% of the respondents were male while 40.4% were female suggest a gender imbalance in the ownership or management of micro-enterprises in the apparel industry within Nakuru town. This disparity may reflect broader socio-economic factors such as unequal access to capital, education, or business networks that often limit women's participation in entrepreneurial ventures. Cultural expectations and domestic responsibilities could also contribute to the lower representation of women. Understanding this gender gap is crucial for developing targeted interventions and inclusive policies that promote equal opportunities and support the growth of both male- and female-led apparel micro-enterprises in the region.

Age of the Respondents

The age distribution of respondents reveals that 34.0% were aged 41–50 years**,** 26.3% were aged 31-40 years**,** 19.9% were aged above 50 years**,** 13.5% were aged 21-30 years and 6.4% were under 20 years. Figure 3 displays the results.

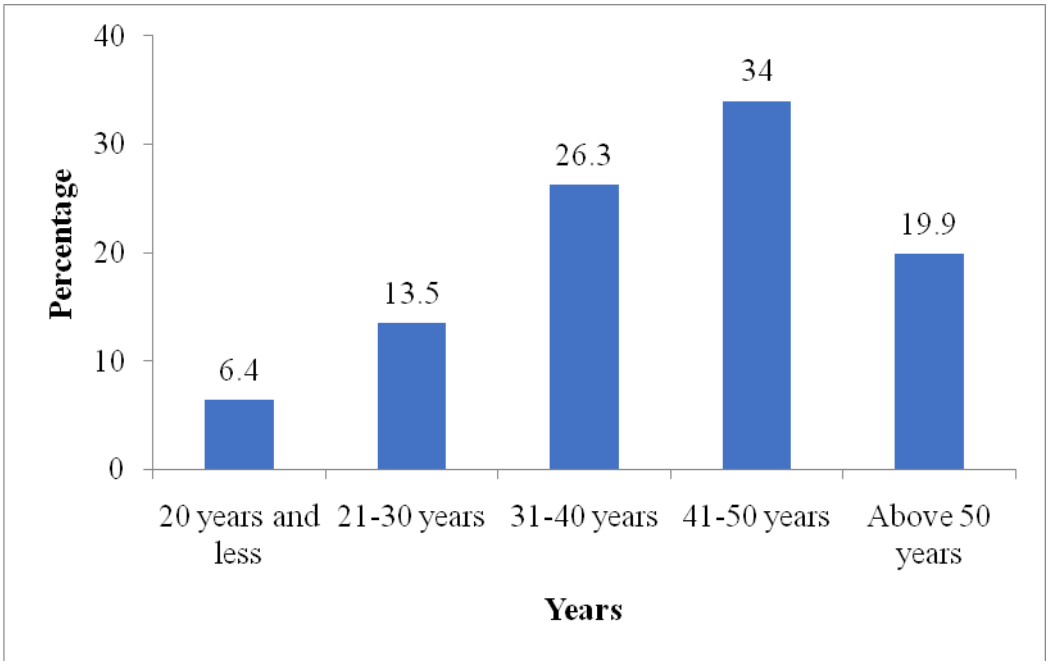

Figure 3: Age of the Respondents

The age distribution reveals that the majority of respondents (81.1%) were aged 31 and above, indicating that older individuals are more actively involved in running or managing apparel micro-enterprises in Nakuru town. This may be attributed to greater access to capital, experience, and established business networks among older entrepreneurs. Conversely, the low participation of younger age groups, particularly those under 30 (only 18.6%), may suggest barriers such as limited financial resources, lack of experience, or inadequate entrepreneurship training. These findings highlight the need for targeted youth empowerment programs to foster innovation and sustainability within the apparel industry across age groups.

Kind and Nature of Business

The kind of business the respondents were conducting reveals that 35.9% were in women apparel business**,** 22.4% were in gents' apparel business**,** 12.2% were in children apparel business while 29.5% were dealing with women, gents and children apparel. Further, the nature of business the respondents were conducting reveals that 35.9% were in partnership**,** 37.8% were sole proprietors while 26.1% were family owned business. Table 2 displays the results.

Table 2: Kind and Nature of Business

Kind of Business			**Nature of Business**		
	Frequency(n)	**Percent (%)**		**Frequency(n)**	**Percent (%)**
Women apparel	56	35.9	Partnership	56	35.9
Gents apparel	35	22.4	Sole proprietors	59	37.8
Children	19	12.2	Family owned	41	26.3
All	46	29.5			
Total	156	100.0		156	100.0

The results suggest a strong market demand and growth potential in the women's clothing sector within Nakuru town. The lower representation in gents' (22.4%) and children's apparel (12.2%) may reflect consumer purchasing trends, profit margins, or entrepreneurs' strategic focus on more lucrative or higher turnover markets. The multi-category businesses indicate diversification as a possible growth strategy. These patterns highlight the need for market research, product differentiation, and tailored support for SMEs to thrive in varied apparel segments.

The results further suggest a preference for flexible and easily managed business structures that require minimal legal formalities and capital investment. Partnerships may offer shared responsibilities and pooled resources, enhancing business resilience and growth. Sole proprietorships, though common, may face limitations in expansion due to resource constraints. Family-owned businesses may benefit from trust and continuity but can face internal conflicts. These structures reflect socio-economic dynamics such as capital access, trust, and informal support systems influencing apparel micro-enterprises growth.

Years in Operation

The study's findings revealed that 9.0% of the apparel micro-enterprises had been in operation for less than 6 months, 21.8% for 6 months to 1 year, 28.8% for 2 – 5 years while 40.4% for more than 6 years. The results are illustrated in Figure 4.

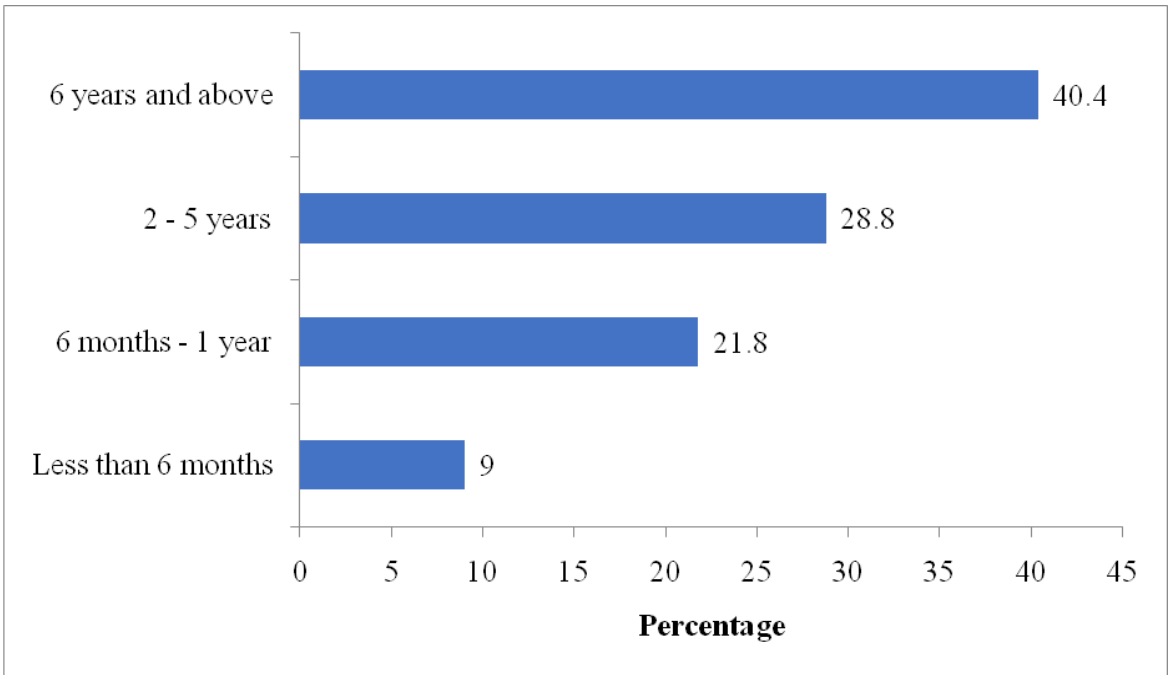

Figure 4: Number of Years in Operation

The findings indicate that a significant proportion of apparel micro-enterprises in Nakuru town (40.4%) have operated for over six years, suggesting business stability and resilience despite the challenges faced in the sector. This longevity may be attributed to strong market knowledge, customer loyalty, and adaptive strategies. However, the presence of 30.8% of businesses operating for less than one year highlights a high entry rate, possibly driven by unemployment or low startup barriers. The 28.8% in the 2–5 year range reflect apparel micro-enterprises in their critical growth phase. These variations emphasize the need for targeted support at different business stages to enhance sustainability and growth.

Descriptive statistics

Respondents were asked to indicate the extent economic factors affected growth of apparel micro-enterprises in Nakuru town, Kenya. The findings revealed that varying income levels among consumers influence the purchasing behavior and demand for apparel produced by apparel micro-enterprises (Mean=3.90, std. dev=1.03). Findings further revealed that income disparities impact the growth potential of micro-enterprises in the apparel industry in Nakuru Town (Mean=4.06, std. dev=0.95). Additionally, results revealed that income disparities impact the growth potential of micro-enterprises in the apparel industry in Nakuru Town (Mean=3.97, std. dev=0.83). The descriptive results showed that inflationary pressures impact the purchasing power of consumers in Nakuru (Mean=3.88, std. dev=0.99). The findings revealed that limited access to finance hinder the expansion and operational efficiency of apparel micro-enterprises in Nakuru Town (Mean=3.92, std. dev=0.90) and that access to affordable financing affect the ability of micro-enterprises in Nakuru's apparel sector to invest in technology (Mean=4.10, std. dev=0.97). The results showed that the

respondents agreed that economic factors affected growth of apparel micro-enterprises in Nakuru town, Kenya since the overall mean score was 3.97 and a 0.95 standard deviation on a five-point Likert scale.

Table 3: Extent Economic Factors Affected Growth of Apparel Micro-Enterprises

Economic factors statements	N	Means	Standard deviations
Varying income levels among consumers influence the purchasing behavior and demand for apparel produced by apparel micro-enterprises	156	3.90	1.03
Income disparities impact the growth potential of micro-enterprises in the apparel industry in Nakuru Town	156	4.06	0.95
Fluctuating inflation rates affects the cost of production for micro-enterprises in the apparel industry	156	3.97	0.83
Inflationary pressures impact the purchasing power of consumers in Nakuru	156	3.88	0.99
Limited access to finance hinder the expansion and operational efficiency of apparel micro-enterprises in Nakuru Town	156	3.92	0.90
Access to affordable financing affect the ability of apparel micro-enterprises in Nakuru's apparel sector to invest in technology	156	4.10	0.97
Overall mean score		**3.97**	**0.95**

Key; 5-StronglyAgree, 4-Agree, 3-Neutral, 2-Disagree, 1-Strongly Disagree

The findings indicate that access to affordable financing significantly affects the ability of apparel micro-enterprises in Nakuru to invest in technology, as demonstrated by a high mean score of 4.10 and a standard deviation of 0.97. This suggests a strong consensus among respondents that financing is a key enabler of technological advancement. Access to finance allows small businesses to invest in modern machinery, software, and digital tools that enhance productivity, reduce costs, and improve competitiveness (IFC, 2020). However, without affordable credit, many apparel micro-enterprises remain technologically stagnant due to the high upfront costs of automation and digital transformation (UNCTAD, 2021).

Globally, studies have shown that limited access to finance is a major barrier to technology adoption among apparel micro-enterprises, particularly in developing economies (OECD, 2023). High interest rates, lack of collateral, and complex loan processes often exclude small businesses from formal credit markets, hindering innovation and scalability. In the apparel industry, where rapid response to market trends is essential, delayed or limited investment in technology can severely affect business performance. Therefore, improving financial inclusion and offering targeted financing solutions are critical steps toward enabling apparel micro-enterprises to modernize and thrive in competitive markets (ILO, 2021).

Regression analysis

The regression analysis was conducted which encompassed the Analysis of Variance (ANOVA) and the regression coefficients. The results presented in Table 12 are the ANOVA that was used to test the hypothesis **H_{01}:** There is no statistically significant effect of economic factors on growth of apparel micro-enterprises in Nakuru town, Kenya. According to the results, economic factors significantly affected growth of apparel micro-enterprises, $F(1, 155) = 92.117$, $p<0.05$). This implies that the null hypothesis is rejected and the alternative hypothesis accepted that there is a statistically significant effect of economic factors on growth of SMEs apparel industries in Nakuru town, Kenya.

Regression coefficients results showed that economic factors exhibited a positive and statistically significant relationship with growth of SMEs apparel industries ($\beta = 0.669$, $p = 0.000$). This suggests that a one-unit increase in economic factors is likely to result in a 0.669-unit increase in growth of SMEs apparel industries.

Table 4: ANOVA and Regression Coefficients for Economic Factors

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.356	1	42.356	92.117	.000[b]
	Residual	70.764	154	.460		
	Total	133.120	155			

Regression coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.344	.282		4.768	.000
Economic factors	.669	.070	.612	9.601	.000

a. Predictors: (Constant), Economic factors

Dependent Variable: Growth of apparel micro-enterprises

The statistically significant relationship between economic factors and the growth of apparel micro-enterprises ($\beta = 0.669$, $p = 0.000$) underscores the critical influence of macroeconomic conditions on business performance. A beta value of 0.669 indicates a strong positive association, suggesting that improvements in economic factors such as inflation control, interest rate stability, consumer purchasing power, and raw material costs substantially enhance apparel micro-enterprises growth potential. This aligns with global findings that stable and supportive economic environments foster entrepreneurial activity and facilitate business expansion (World Bank, 2022).

In the apparel sector, where profit margins are often thin and input costs volatile, even minor economic fluctuations can significantly impact operational sustainability (OECD, 2023). For instance, rising inflation and decreased consumer spending power tend to reduce demand for non-essential goods like apparel, limiting apparel micro-enterprises' growth opportunities (IMF, 2022). Conversely, when economic conditions improve, apparel micro-enterprises can invest more confidently in production, marketing, and workforce development, thus driving growth. Moreover, apparel micro-enterprises are particularly vulnerable to economic shocks due to limited capital buffers and resource constraints (ILO, 2021). Therefore, fostering a stable macroeconomic environment is essential to ensure resilience and long-term growth of apparel micro-enterprises in dynamic sectors such as apparel manufacturing.

6. CONCLUSION AND RECOMMENDATIONS

The study highlights the profound impact of economic pressures, including declining customer incomes and rising inflation, on the growth and sustainability of apparel micro-enterprises. These factors have led to shifts in consumer behavior, increased operational costs, and constrained pricing strategies. Limited access to affordable financing further restricts apparel micro-enterprises' ability to invest in technology and scale their operations. The significant positive relationship between economic factors and apparel micro-enterprises growth underscores the need for a stable macroeconomic environment to foster resilience and expansion. Addressing these economic challenges is vital for sustaining apparel micro-enterprises competitiveness in the apparel sector.

The study recommends that policymakers should prioritize simplifying tax regimes by reducing rates and streamlining filing procedures to lessen the administrative burden on apparel micro-enterprises. Efforts to enhance political stability and mitigate election-related disruptions will create a safer business environment. The government should increase targeted financial support, such as grants and affordable credit, to strengthen

apparel micro-enterprises capacity. Investments in infrastructure, including digital connectivity and transport, are essential to support efficient operations. Additionally, expanding capacity-building programs focused on compliance and business resilience will equip apparel micro-enterprises to better manage political risks and leverage growth opportunities.

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