



IDENTIFICATION AND ANALYSIS OF HOME BASED-BUSINESS OPPORTUNITIES FOR INVESTMENT WITH LOW CAPITAL CASE STUDY: BALKH PROVINCE

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Abstract: This research has been conducted with the aim of identification and analysis of home-based business opportunities for investment with low capital in Balkh province. It is applied in terms of its objective, and descriptive-analytical in terms of its method and nature. The statistical population includes four groups: home-based entrepreneurs, youth and students, low-income or unemployed individuals, and business specialists in Balkh province. Sampling was conducted using a combination of simple random and purposive methods and the data collection tool was a mixed questionnaire (open and closed questions). For the analysis of quantitative data, the descriptive method was used with SPSS version 25, and qualitative data were examined using content analysis.

The findings indicate that the highest interest among respondents is in the production sector (56.4%), and despite 60.3% having adequate physical space, about half of the respondents lack sufficient technological knowledge. Regarding opportunities, activities such as sewing, handicrafts, dairy production, online education, and digital marketing have been identified as areas with potential. Regarding challenges, the lack of initial capital (90%) was identified as the main challenge, followed by the weakness of the consumer market (48.7%), shortage of raw materials, specialized skills, and physical infrastructure as other serious obstacles. In the section on success factors, in the internal dimension, personal financial support (71.8%), access to raw materials (57.7%), and effective advertising were the most important factors. In the external dimension, the economic situation, financial support, and government incentive policies were recognized as influential factors. In conclusion, the role of governmental and non-governmental support institutions in providing capital, offering technical and specialized training, market development, promoting the culture of consuming domestic products, providing infrastructure, and formulating supportive policies was emphasized as key strategies in the development of these types of businesses. The research results indicate that home-based businesses play a key role in the sustainable development of the local economy, especially for women and youth.

Key Words: Balkh Province, Challenges, Home-Based Business, Investment Opportunities, Low Capital, Resource Availability, Institutional Support.

1- INTRODUCTION

Given the current economic situation in Afghanistan, especially in various provinces, a large number of citizens face extensive financial constraints that prevent them from engaging in large and complex investments (Aziz, 2020). These economic conditions, which have arisen due to wars and prolonged crises in the country, have reduced public trust in commercial markets and weakened the ability of many individuals to utilize financial resources for large projects. In such an environment, home-based businesses play an effective role in creating employment and strengthening the local economy as a practical and cost-effective solution for the optimal use of limited financial resources (Khan, 2019). These businesses, due to their low initial capital requirement, high flexibility, and ability to operate in diverse economic conditions, can be a suitable option for individuals who do not have the capacity to enter large-scale investments (Jafari, 2018).

Balkh province is one of the regions that, with its rich natural resources, especially in agriculture and handicrafts, and by relying on local skills, has significant potential for the development of home-based businesses (Ministry of Economy of Afghanistan, 2021). The cultural and geographical characteristics of this province have also created favorable conditions for the establishment and growth of these types of businesses. In such a context, identifying opportunities and analyzing existing economic capacities can assist individuals with low capital to enter the market in a targeted and low-risk manner, avoiding the threats of large investments.

The main objective of this research is to identify and analyze the opportunities available for home-based businesses in Balkh province, especially for those individuals who, due to limited resources or fear of high risks, are reluctant to enter larger markets (World Bank, 2019). Such an approach can help increase trust, reduce fear of failure, and motivate local individuals.

This research aims not only to introduce the economic opportunities in this field but also to pave the way for the development and sustainability of such businesses by providing practical solutions. By precisely outlining the opportunities, this research can serve as a valuable resource for small investors and the establishment of home-based businesses, ultimately leading to the strengthening of the local economy and the creation of sustainable employment in Balkh province.

1-1- Statement of the problem

Afghanistan, and especially Balkh province, face deep structural challenges in the economic sphere, including high unemployment rates, serious limitations in access to financial resources, and a lack of sustainable job opportunities (World Bank, 2021). These problems, especially for vulnerable groups and families with limited resources, have led to increased dependence on international aid and the spread of poverty (Afghanistan Economic Development Report, 2021). In such circumstances, the development and strengthening of home-based businesses can be considered a realistic and sustainable solution for reducing economic pressures and creating employment (Smith and Brown, 2020). The importance of this issue lies in the fact that home-based businesses have a high capacity to generate income for disadvantaged groups such as women, youth, and individuals with limited skills (Khan et al., 2019). The experience of developing countries also supports this, as these types of activities have played a significant role in reducing poverty and increasing economic resilience (World Bank, 2021). On the other hand, Balkh Province, considering its favorable geographical location, diverse demographic composition, and rich background in areas such as agriculture, handicrafts, and local trade, has significant potential for developing home-based businesses (Smith and Brown, 2020). However, the lack of systematic information regarding suitable areas for micro-investments has prevented many individuals, especially those with limited financial resources, from entering economic activities (Khan et al., 2019).

Accordingly, the present research has been designed to address this scientific and practical gap. From a scientific perspective, this study aims to identify potential opportunities in the field of home-based businesses in Balkh province and seeks to provide a more comprehensive understanding of local economic capacities to the academic community. From a practical perspective, the results of this research can be enlightening for policymakers, support institutions, and potential investors, enabling them to take more effective actions towards the development of home-based businesses in this province, based on the identified opportunities. In addition to considering the above points, the question that arose for the researcher, leading to the selection and investigation of this topic, was: What opportunities exist for investing in home-based businesses with low capital in Balkh province?

1-2- Research Objectives

1-2-1- Main Objective: To identify and analyze investment opportunities in home-based businesses with low startup capital in Balkh Province.

1-2-2- Sub Objectives:

1. To examine the interests, available resources, and existing capacities for launching home-based businesses with low capital in Balkh Province.
2. To Identify and analyze the challenges and obstacles in the way of starting home-based businesses with low investment in Balkh province.
3. To analyze the factors influencing the growth and success of home-based businesses with low capital in Balkh province.
4. To evaluate the role and actions of governmental and non-governmental organizations in supporting and promoting the development of home-based businesses in Balkh Province.

1-3- Research Questions

1-3-1- Main Question: What opportunities are available for investment in small-scale home-based businesses in Balkh Province?

1-3-2- Sub Questions:

1. What interests, resources, and capacities are available for starting home-based businesses with low capital in Balkh Province?
2. What challenges and obstacles are encountered in the process of establishing home-based businesses with low capital in Balkh Province?
3. What are the factors influencing the growth and success of home-based businesses with low capital investment in Balkh Province?
4. What are the roles and actions of governmental and non-governmental institutions in supporting and developing home-based businesses with low capital in Balkh Province?

2- LITERATURE REVIEW

Home-based businesses have gained increasing attention in recent years as vital contributors to local economies and employment, especially in developing countries.

According to Brush, Greene, and Hart (2019), home-based businesses are small-scale entrepreneurial ventures operated from the entrepreneur's residence, typically characterized by low start-up costs, flexibility, and the ability to balance work and family life (Brush, Greene, and Hart (2019)

Kumar and Singh (2021) highlight the increasing importance of digital technologies in home-based businesses, which enable entrepreneurs to overcome geographic and infrastructural limitations, thus expanding their market reach (Kumar and Singh, 2021).

Sadat and Ahmadi (2021) note that home-based businesses serve as critical sources of income and livelihood for many, especially in developing countries, but require support such as training and financial access to thrive (Sadat and Ahmadi, 2021)

2-1- Operational definitions of variables

1. **Home business opportunities in small industries:** These opportunities include handicrafts, carpet weaving, food production, sewing, modern handicrafts, and the production of homemade hygiene products, which will be examined in this research.
2. **Home business opportunities in the service sector:** These opportunities include educational services, beauty services, consulting services, and nursing and cleaning services, which will be examined in this research.
3. **Home business opportunities in the agriculture and livestock sector:** These opportunities include dairy production, poultry farming, vegetables, fruits, medicinal plants, flowers, and beekeeping, which will be examined in this research.
4. **Home business opportunities in the digital sector:** These opportunities include online education, online marketing and sales, graphic design, website development, translation services, platform creation, and content production, which will be examined in this research.

2-2- Research Background

Mohammadi et al. (2019) examined the opportunities and challenges of home-based businesses in rural areas of Gilan Province, Iran. Their study employed a qualitative-descriptive approach, collecting data through semi-structured interviews and both closed and open-ended questionnaires from 120 home entrepreneurs. The results indicated that limited access to financial resources and lack of training were among the most significant barriers to the development of these businesses (Mohammadi et al., 2019).

Rahman et al. (2020) conducted a quantitative study analyzing investment opportunities in home-based businesses in the Punjab region of Pakistan using standardized questionnaires. Their sample consisted of 200 home business owners. Findings showed that improving access to micro-finance and specialized training could significantly contribute to the growth of these enterprises (Rahman et al., 2020).

Thiyagarajan (2016), in a study titled “Entrepreneurship-Centered Approaches Post-Disasters: Learning from Rehabilitation Programs in Developing Countries,” addressed the role of governments in supporting home-based businesses. Using survey methods, in-depth interviews, and observations, the research demonstrated that entrepreneurial skills training, access to financial resources, and market access were among the most effective factors in rebuilding and empowering these types of businesses in disaster-affected communities (Thiyagarajan, 2016).

Sadat and Ahmadi (2021) conducted a mixed-methods study combining quantitative and qualitative approaches with questionnaires and in-depth interviews to investigate home-based businesses in Herat province, Afghanistan. The sample included 100 home entrepreneurs. The findings emphasized the importance of technical training and specialized support to increase the productivity of home-based businesses (Sadat & Ahmadi, 2021).

Smith and Johnson (2018) used case studies, secondary data analysis, and key informant interviews to examine 10 digital home-based businesses in developing countries across Asia and Africa. Their results highlighted the critical role of modern technologies in the growth and development of digital home businesses (Smith & Johnson, 2018).

Kumar and Singh (2021) conducted a survey-based study using questionnaires to analyze the opportunities and challenges of home-based businesses in India. Their population included 250 home entrepreneurs. The study found that leveraging digital technologies and social networks, combined with government support, plays a key role in the sustainable development of home-based businesses (Kumar & Singh, 2021).

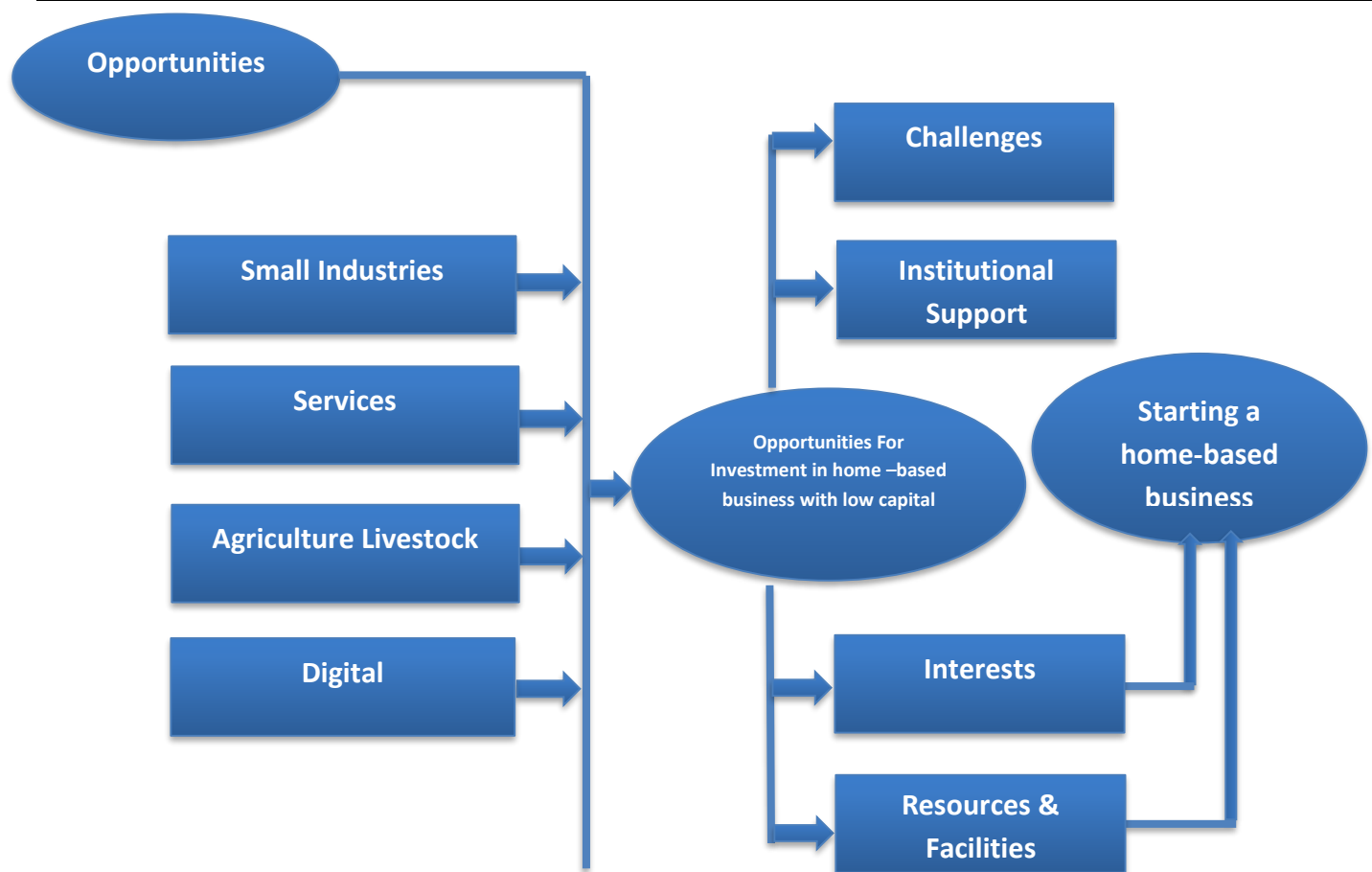


Figure 1. Research Conceptual Model

3- RESEARCH METODOLOGY

This study is applied in nature with a descriptive-analytical approach regarding its methodology. In the descriptive phase, efforts were made to identify and analyze various opportunities for home-based businesses with low capital in Balkh Province. Additionally, using an analytical approach, different dimensions of these opportunities, existing capacities, prevailing obstacles, and the role of supporting institutions were examined.

The research was conducted as a field study, with data collected directly through the participation of respondents. The data collection instrument was a mixed questionnaire, comprising both closed and open-ended questions, which formed the basis for analyzing topics related to home-based businesses.

3-1- Population and Sampling

The study population consists of four main groups: home-based entrepreneurs (both men and women), youth and students, low-income or unemployed individuals, as well as specialists and experts in the field of business in Balkh Province. Simple random sampling was employed for selecting participants from the general groups, while purposive random sampling was used to select the experts and specialists. Considering the size of the population and the need for precision in estimating the results, the sample size was determined using the minimum sample size formula, resulting in a final sample of 78 individuals.

The sampling process was designed to accurately reflect the demographic and professional diversity of each group, ensuring that the sample composition represents the actual structure of the population. This careful selection process significantly enhances the validity and generalizability of the research findings related to home-based businesses in Balkh Province.

3-2- Data Collection Method and Tools

In this study, data were collected through fieldwork using a structured questionnaire as the primary data collection tool. Information was gathered directly from respondents in their real-life environments. The questionnaire comprised 17 main questions, including 14 closed-ended questions, which were further subdivided into 63 measurable items, and 3 open-ended questions. This structure was designed to comprehensively cover various dimensions of the research topic.

The closed-ended questions aimed to collect quantitative data related to variables such as levels of interest, priority investment areas, challenges, available resources, and success factors. These 63 items were later used for statistical analysis through SPSS software. On the other hand, the open-ended questions were intended to extract qualitative data, including respondents' perspectives, personal experiences, and recommendations. This approach enabled content analysis and the identification of key themes and patterns. By combining both quantitative and qualitative data collection methods. This mixed-method approach allows for a deeper and more comprehensive understanding of the studied phenomenon.

3-3- Data Analysis Method and Tools

A mixed-method approach, combining both quantitative and qualitative analyses, was employed to analyze the collected data in this study:

3-3-1- Quantitative Data Analysis: Data obtained from closed-ended questions were processed using SPSS software version 25 through descriptive statistical methods. Statistical indicators such as mean, median, mode, standard deviation, frequency, and percentages were calculated. Additionally, the reliability of the questionnaire was assessed using Cronbach's alpha test to evaluate the validity of the data collection instrument.

3-3-2- Qualitative Data Analysis: Responses to open-ended questions were analyzed using Content Analysis methodology. This approach facilitated the extraction of patterns, categorization of themes, and identification of key content, enabling a deeper understanding of respondents' perspectives, experiences, suggestions, actions, and the role of governmental and non-governmental institutions in the development of home-based businesses in Balkh province.

3-4- Validity and reliability of the questionnaire: In order to ensure the accuracy and validity of the research results, two key indicators, namely validity (content validity) and reliability (internal consistency), examined.

3-4-1- Validity: To ensure that the questionnaire accurately measures the research topics, the opinions of specialists and experts active in the field of home businesses in Balkh province were utilized. Their feedback and suggestions led to the revision and enhancement of the questionnaire and helped align its content better with the research objectives.

3-4-2- Reliability: To measure the internal consistency and stability of the questionnaire, the Cronbach's alpha test was conducted using SPSS software. The questionnaire consisted of 17 main questions, of which 14 were closed-ended, subdivided into 63 individual items. These 63 items were entered into SPSS and included in the reliability analysis. The remaining 3 open-ended questions were excluded, as Cronbach's alpha is applicable only to quantitative (scaled) items. The obtained Cronbach's alpha coefficient was 0.881, indicating a high level of internal consistency and reliability of the data collection instrument. This result confirms that the closed-ended items consistently measured the intended constructs, thereby enhancing the credibility of the research findings.

4- DATA ANALYSIS

In this section, the data collected through a mixed quantitative and qualitative approach have been comprehensively analyzed. Quantitative data, derived from 63 closed-ended questionnaire items, have been organized into key topics including level of interest, existing capacities, exploitable opportunities, challenges, and success factors. For the analysis of these data, descriptive statistical methods such as frequency, percentage, mean, median, mode, and standard deviation have been used with the SPSS software version 25.

Alongside quantitative data, a qualitative analysis of the open-ended questionnaire responses has also been conducted as a complement to complete the overall research analysis, providing valuable insights from participants on how to support and develop low-capital home-based businesses in Balkh province. This combination of quantitative and qualitative approaches has enabled comprehensive identification and analysis, as well as the provision of practical solutions for the sustainable growth and continuous development of these types of businesses.

Table 1. Reliability of the Questionnaire

Reliability Statistics	
Number of Items	Cronbach's alpha
63	0.881

As shown in Table 1, the Cronbach's alpha coefficient for the questionnaire is reported as **0.881**. This value indicates a high level of reliability for the instrument and suggests that the results obtained can be trusted with confidence.

Table 2. Frequency and Percentage Distribution of Respondents' Demographic Characteristics

No	Indicators	Category	Frequency	Percentage (%)
1	Gender	Male	59	75.6
		Female	19	24.4
		Total	78	100
2	Age	Under 20	8	10.3
		30 - 20	44	56.4
		40 - 31	17	21.8
		50 - 41	6	7.7
		Above 50	3	3.8
		Total	78	100
3	Education	Illiterate	2	2.6
		Primary	2	2.6
		Secondary	17	21.8
		High School	14	17.9
		Bachelor's Degree	28	35.9
		Master's Degree	15	19.2
		Total	78	100
4	Work Experience	Yes	41	52.6
		No	37	47.4
		Total	78	100

Descriptive Analysis of Respondents' Demographic Characteristics

As shown in Table 2, a total of 78 individuals responded to the questionnaire. The examination of their demographic characteristics was conducted to better understand the social and economic contexts influencing their attitudes toward home-based businesses.

1. **Gender:** The findings show that out of the total respondents, 75.6% (59 individuals) were male and 24.4% (19 individuals) were female. This distribution may reflect differences in access, participation, or interest between men and women regarding home-based businesses in the study area.
2. **Age Group:** The largest proportion of respondents belonged to the 20–30 years age group (56.4%). This group, as a young and potential workforce, plays a significant role in entering innovative small and home-based business sectors. Other age groups included: under 20 years (10.3%), 31–40 years (21.8%), 41–50 years (7.7%), and above 50 years (3.8%). This distribution highlights a notable concentration of young people within the target population of this research.
3. **Educational Level:** The distribution of respondents' education levels indicates that the majority have higher education; 35.9% hold a bachelor's degree and 19.2% possess a master's degree. Additionally, 21.8% of respondents have completed secondary education and 17.9% are high school graduates (Grade 12). Only 5.2% fall into the illiterate or primary education category.
4. **Economic Activity Experience:** Examination of respondents' economic activity experience reveals that 52.6% have prior experience in establishing or participating in economic activities.

Table 3. Comparison of Respondents' Interest in Various Home-Based Business Sectors

Activity Sector	Number of Respondents	Percentage of Interest (%)
Production	44	56.4
Services	22	28.2
Digital	22	28.2
Agriculture and Livestock	19	24.4

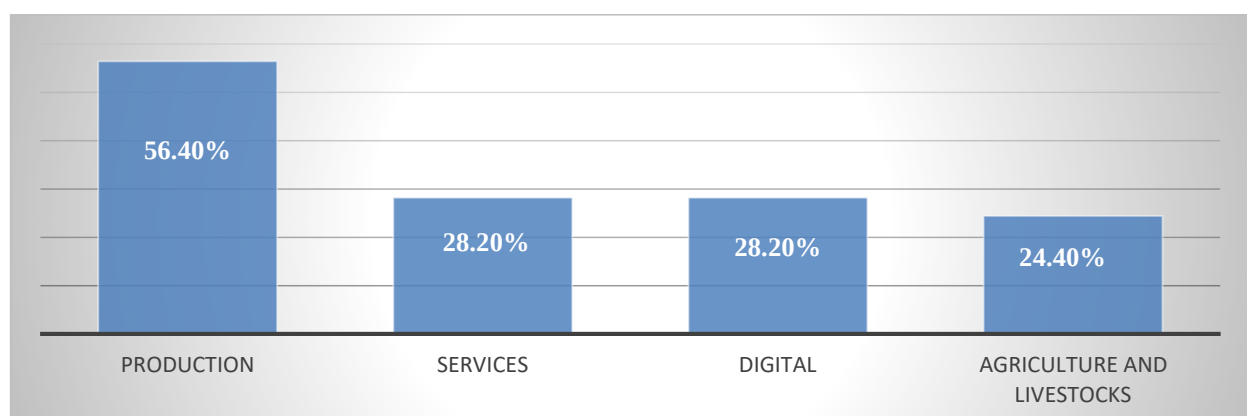


Figure 2. Comparison of Respondents' Interest in Various Home-Based Business Sectors

Descriptive Analysis of Respondents' Interest in Various Home-Based Business Sectors

The table 3 and the figure 2 examines the various fields of activity among respondents and their level of interest in the research topic. The highest number of respondents expressed interest in the production sector, with 44 individuals (56.4% of the total sample) belonging to this group. The majority of them indicated a positive inclination toward the subject of the study (mode =

“Yes”). This suggests that individuals involved in the production sector show the greatest enthusiasm for starting a home-based business. In contrast, the service and digital sectors each accounted for 22 respondents (28.2%), and the agriculture and livestock sector included 19 respondents (24.4%), indicating lower levels of expressed interest. For these groups, the mode of responses was “No,” reflecting a relatively lower degree of engagement with the topic of home-based entrepreneurship in these areas.

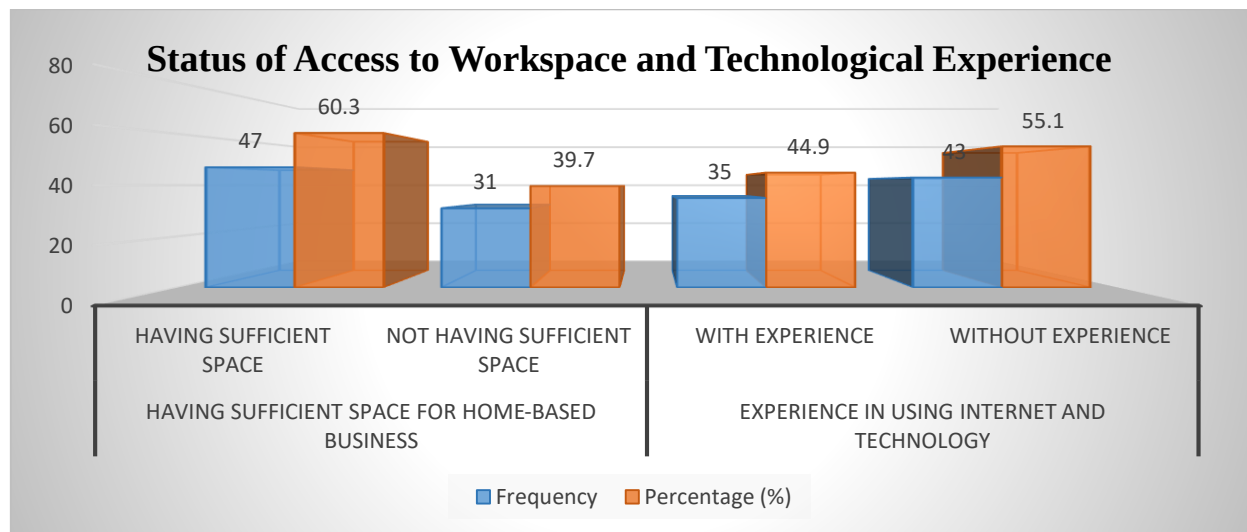


Figure 3. Status of Access to Workspace and Technological Experience

Analysis of Access to Workspace and Technological Experience

In examining the factors influencing the establishment of home-based businesses, two key elements were considered: the availability of suitable workspace at home and experience with the internet and digital technologies. As shown in Figure 3, the findings indicate that more than half of the respondents (60.3%) reported having adequate space to start a home-based business, while approximately 39.7% did not have such conditions. On the other hand, technological experience also plays a crucial role in the success of this type of business. In this regard, 44.9% of participants stated that they had sufficient experience using digital tools and technologies, whereas a larger proportion (55.1%) lacked such experience.

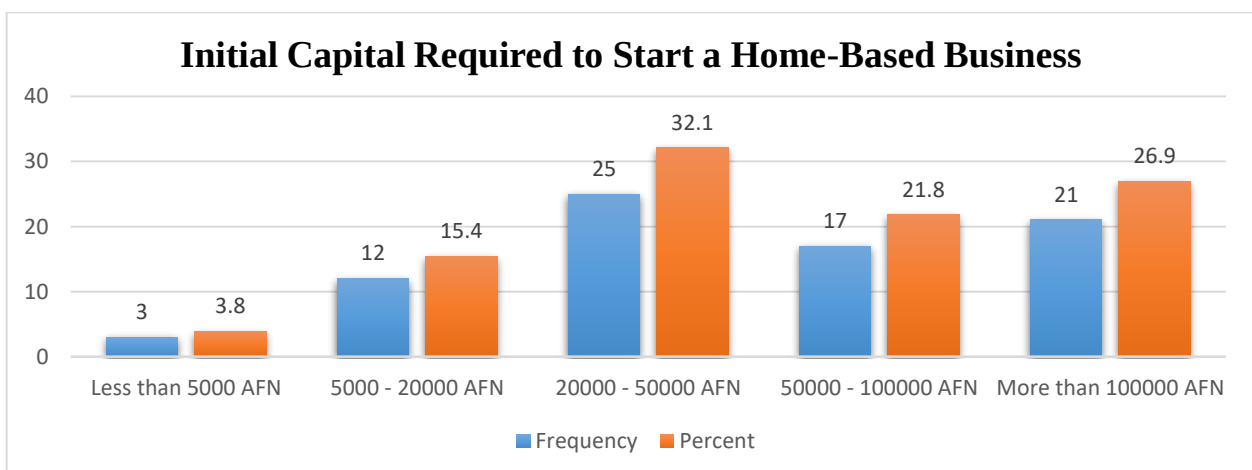


Figure 4. Initial Capital Required to Start a Home-Based Business

Analysis of the Distribution of Initial Capital Required to Start a Home-Based Business

The Figure 4, describes the frequency and percentage of respondents regarding the amount of initial capital needed to start a home-based business. The results indicate that the highest proportion of responses (32.1%) falls within the “20,000 to 50,000 AFN” range, making it the most common and expected level of initial investment. Additionally, the categories “more than 100,000 AFN” (26.9%) and “50,000 to 100,000 AFN” (21.8%) follow, indicating a notable interest in higher levels of investment. In contrast,

the lowest percentage of responses (3.8%) pertains to the “less than 5,000 AFN” category, suggesting that very few individuals believe such a minimal amount would be sufficient to start a business.

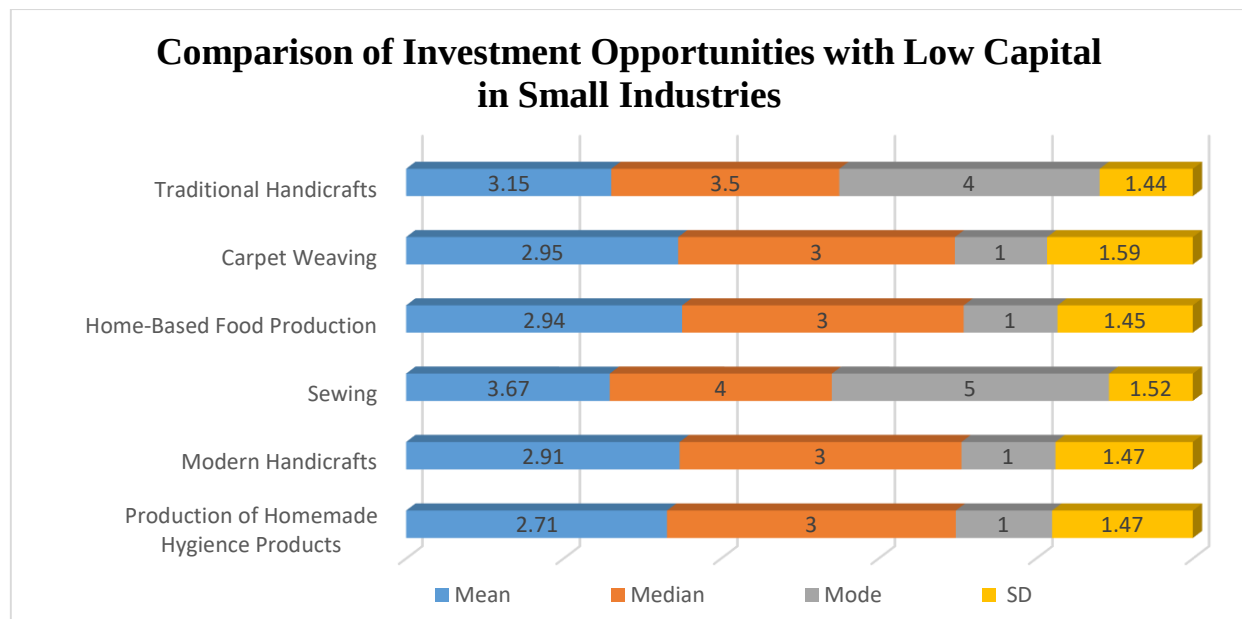


Figure 5. Comparison of investment opportunities with low capital in small industries

Analysis of investment opportunities with low capital in small industries

As the Figure 5, describes, that sewing has the highest level of interest among respondents. The average for this option is 3.67 and the median is 4, indicating that most respondents have rated it as suitable to very suitable. The mode is also 5, indicating a high frequency of the "very suitable" option. Traditional handicrafts, with an average of 3.15, a mode of 4, and a median of 3.5, are also considered a relatively suitable option for investment from the respondents' perspective. Although the standard deviation is relatively high (1.44), there is a general tendency for the opinions to be positive. Regarding carpet weaving, although the median and mean are around 3, the mode is equal to 1, which indicates that a significant percentage of respondents have evaluated this option as "not suitable at all." This diversity in opinions is also confirmed by a relatively high standard deviation (1.59). Similar conditions are observed for the production of homemade food as well. Its average is 2.94, the median is 3, and the mode is 1. It seems that the respondents had different views on this matter as well, and some of them considered this area to be inappropriate. Modern handicrafts also have a similar standing with an average of 2.91, a mode of 1, and a median of 3; that is, although half of the respondents had a median opinion, a large portion considered it inappropriate. Finally, the production of homemade hygiene products has the lowest average (2.71) and its mode is also 1, indicating less interest in this area for home investment.

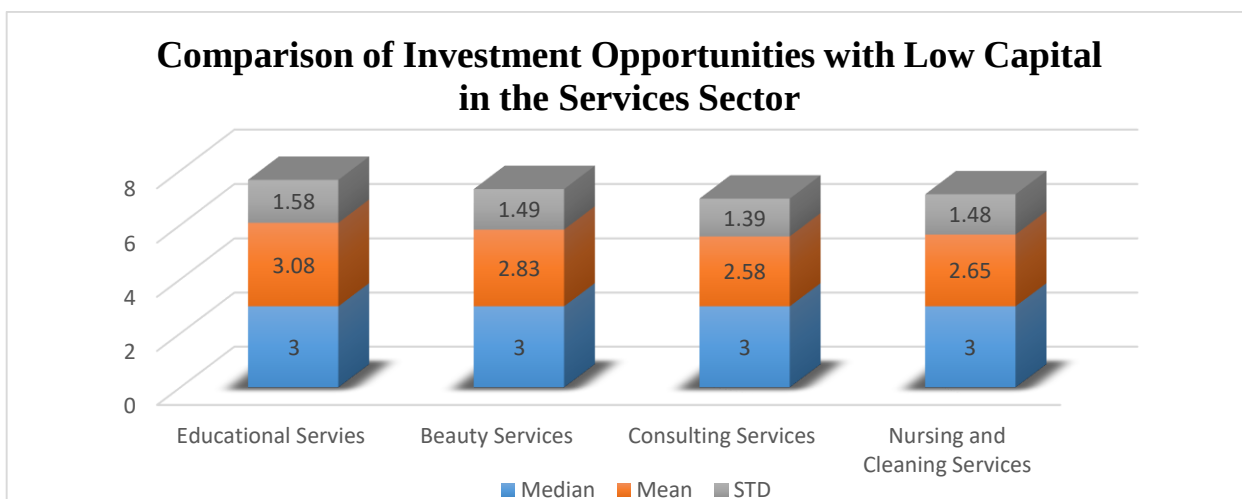


Figure 6. Comparison of investment opportunities with low capital in the services sector

The Figure 6, indicates that educational services (mean = 3.08) and beauty services (mean = 2.83) received the highest level of investment interest among respondents. In both cases, the median value of 3.00 suggests that opinions mostly fell within the "moderately suitable" range. In contrast, consulting services (mean = 2.58) and nursing and cleaning services (mean = 2.65) ranked lower in terms of investment preference, although their median values were also 3.00. The standard deviations across all service categories (ranging from 1.39 to 1.58) indicate a notable diversity of opinions among respondents.

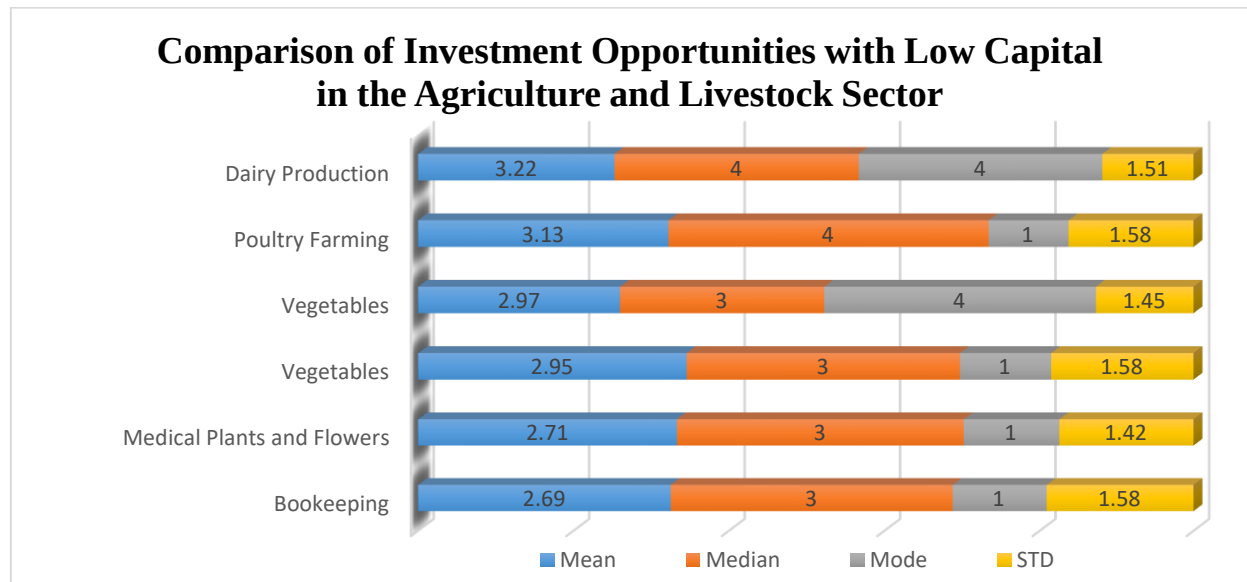


Figure 7. Comparison of investment opportunities with low capital in the Agriculture and Livestock sector

Descriptive Analysis of Investment Opportunities with Low Capital in the Agriculture and Livestock Sector

As seen in the figure 7, dairy production with an average of 3.22 and a median of 4.00 indicates a relatively high tendency of respondents towards this option. The mode is also equal to 4.00, indicating that the most frequent assessment considers it "satisfactory." This section is considered one of the most desirable opportunities in the field of agriculture and livestock. For poultry farming, although the average is relatively good (3.13) and the median is 4.00, the mode being 1.00 indicates that a significant number of respondents did not consider it "suitable at all." Regarding vegetable cultivation, the average is close to 3 (2.97) and the median is also 3.00, indicating a "somewhat suitable" evaluation. The mode of 4.00 indicates that a large portion of individuals have rated it as "appropriate," although the opinions are relatively diverse. Regarding fruits, the average is 2.95 and the median is 3.00. The mode of 1.00 indicates that negative views in this area are more prevalent, and this business opportunity has not yet been considered a reliable option for many people. For medicinal plants and flowers, the average of 2.71 and the median of 3.00 indicate that this option is considered "somewhat suitable" by the public, but the mode of 1.00 reflects significant hesitation in investing in this area. Finally, beekeeping, with an average of 2.69, a median of 3.00, and a mode of 1.00, indicates that opinions are more inclined towards distrust and caution, and this field has not yet gained sufficient acceptance among the public.

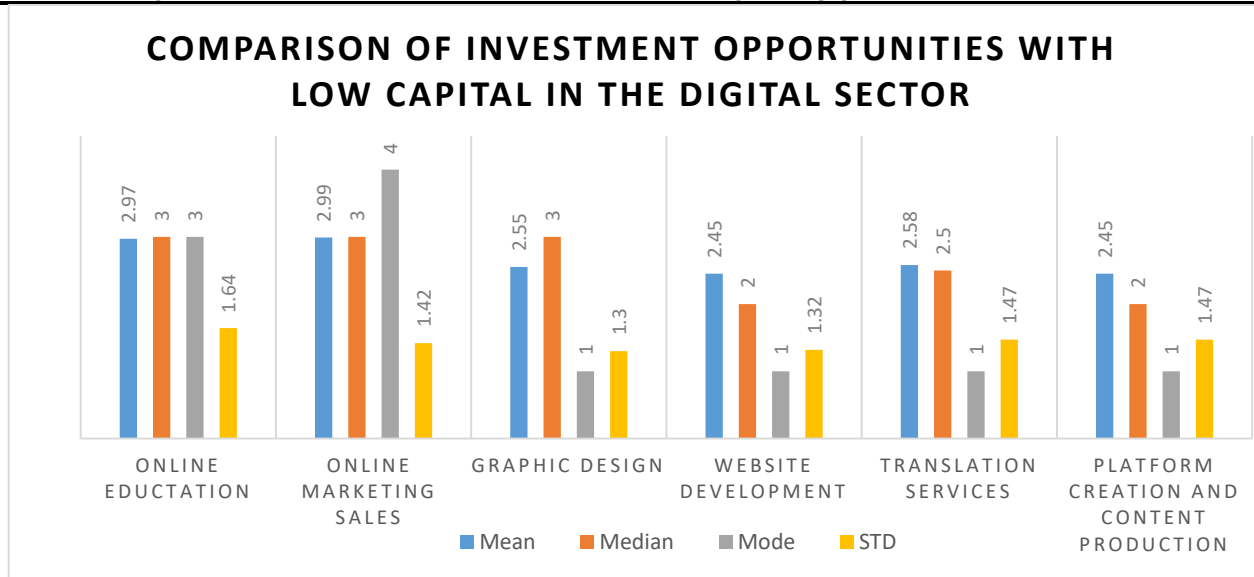


Figure 8. Comparison of investment opportunities with low capital in the Digital sector

Descriptive Analysis of Investment Opportunities With low capital in the Digital Sector

As the findings derived from Figure 8, online marketing and sales emerged as the most promising investment opportunity within the digital sector. It has a mean score of 2.99 and a median of 3, indicating relative satisfaction among respondents. Additionally, the mode value of 4 for this sub-sector reflects that the majority of respondents rated it as "suitable." The next highest-ranked sub-sector is online education, with a mean of 2.97 and a median of 3. Its mode is 3, suggesting that most respondents consider it to be "moderately suitable." On the other hand, options such as graphic design, website development, translation, and content creation scored lower in both mean and mode, indicating less interest in investing in these areas. Overall, it appears that focusing on online education and e-commerce represents a more strategic choice for investment with low capital, while other areas require further cultural promotion, training, and supportive infrastructure to become serious investment options.

Table 4. Key Challenges of Home-Based Businesses in Balkh Province

Challenges	Frequency	Percentage	Rank
Lack of initial capital	70	89.70%	1
Absence of an effective consumer market	38	48.70%	2
Weakness in marketing and sales systems	38	48.70%	2
Difficulty in securing stable raw materials	27	34.60%	4
Lack of necessary knowledge and skills	26	33.30%	5
Social and cultural barriers	20	25.60%	6
Institutional, political, and legal constraints	13	16.70%	7

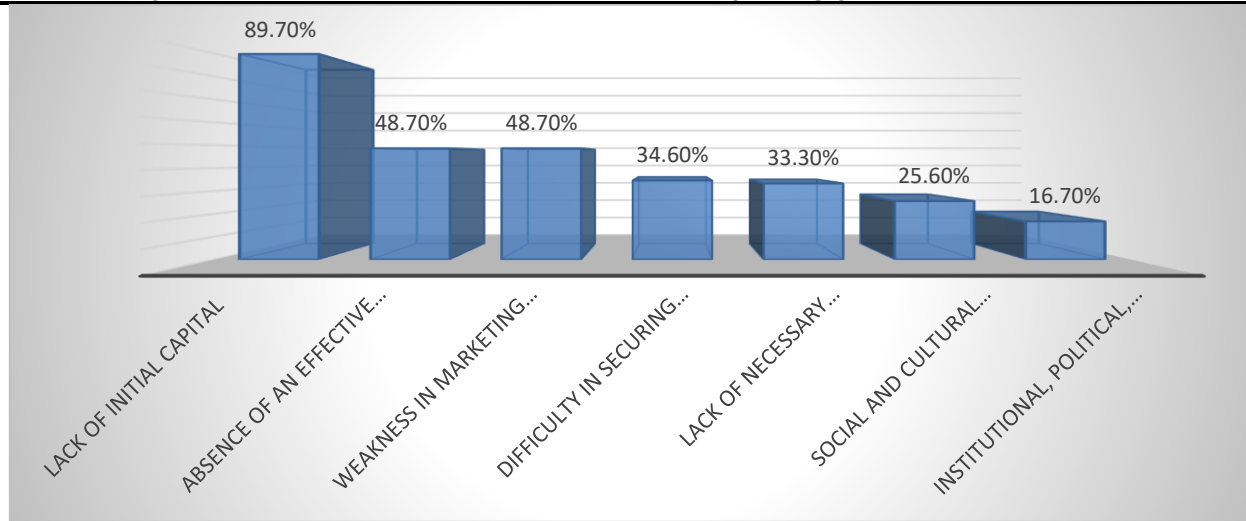


Figure 9. Ranking of Key Challenges Facing Home-Based Businesses in Balkh Province

Analysis of Key Challenges Facing Home-Based Businesses in Balkh Province

As illustrated in the Table 4 and the Figure 9, the majority of respondents identified lack of initial capital as the biggest obstacle to starting home-based businesses. Out of 78 participants, 70 individuals (approximately 89.7%) reported this issue as a significant challenge. Following this, two other major challenges received the same percentage of concern: the absence of an effective consumer market and weaknesses in marketing and sales systems. Both were recognized by about 48.7% of respondents as barriers affecting the sustainability and growth of these businesses. The next ranked challenge was difficulty in securing stable raw materials, supported by around 34.6% of respondents. Additionally, approximately 33.3% of participants pointed to the lack of necessary knowledge and skills, indicating an ongoing need for training and capacity building for those interested in home-based entrepreneurship. Lower-ranked challenges include social and cultural barriers at 25.6%, and finally institutional, political, and legal constraints at only 16.7%. Despite the lower percentages, these obstacles—particularly for women and vulnerable groups—can have profound and long-term effects on the trajectory of home-based entrepreneurial activities.

Table 5. Internal Factors Affecting the Success of Home-Based Businesses

Internal Factors	Frequency	Percentage	Importance Rank
Personal Financial Support	56	71.80%	1
Access to Affordable and Quality Raw Materials	45	57.70%	2
Effective Marketing and Advertising	44	56.40%	3
Individual and Managerial Capabilities	41	52.60%	4
Use of Technology and Internet	37	47.40%	5
Training and Consulting	35	44.90%	6
Access to Local Markets	33	42.30%	7

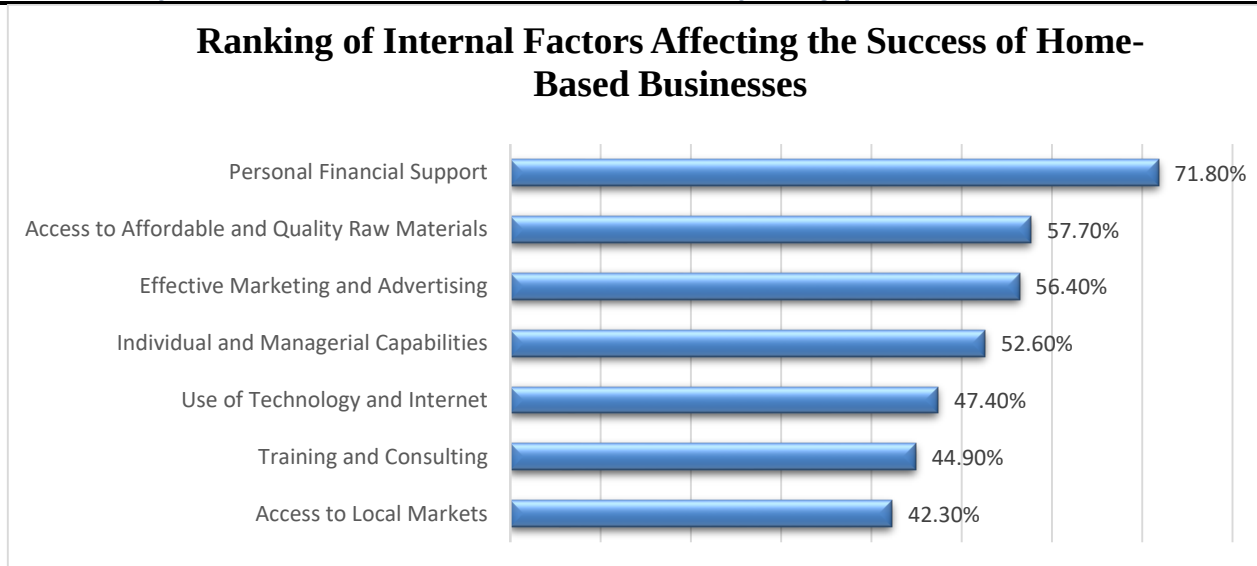


Figure 10. Ranking of Internal Factors Affecting the Success of Home-Based Businesses

Analysis of Internal Factors Affecting the Success of Home-Based Businesses in Balkh Province

As shown in the table 5 and the Figure 10, personal financial support was identified by over 71% of participants as the most important internal factor for the success of home-based businesses in Balkh. This indicates that, given the current economic situation, relying on personal capital plays a key role in starting and sustaining business activities. Following this, access to affordable and quality raw materials (around 58%) and effective marketing and advertising (just under 57%) ranked second and third, respectively. Additionally, individual and managerial capabilities (over 52%) and the use of technology and the internet (nearly 47%) were other significant factors contributing to improved performance and competitiveness of these businesses. Finally, although training and consulting (around 45%) and access to local markets (about 42%) received lower approval rates, they remain essential complementary factors in ensuring the success of home-based businesses. Overall, the data indicate that success in home-based businesses in Balkh largely depends on securing personal financial resources, accessing suitable raw materials, and efficient marketing, alongside managerial skills and technology adoption which play crucial roles in boosting productivity and sustainability.

Table 6. External Factors Affecting the Success of Home-Based Businesses

External Factors	Frequency	Percentage	Importance Rank
Environmental Economic Conditions	44	56.40%	1
National Supports and Small Loans	41	52.60%	2
Government Incentive Policies and Programs	34	43.60%	3
International Support and NGO Assistance	33	42.30%	4
Commercial and Financial Laws and Regulations	26	33.30%	5
Social Networks and Media	26	33.30%	5
Access to International Markets and Exports	23	29.50%	7
Physical and Technological Infrastructure	18	23.40%	8

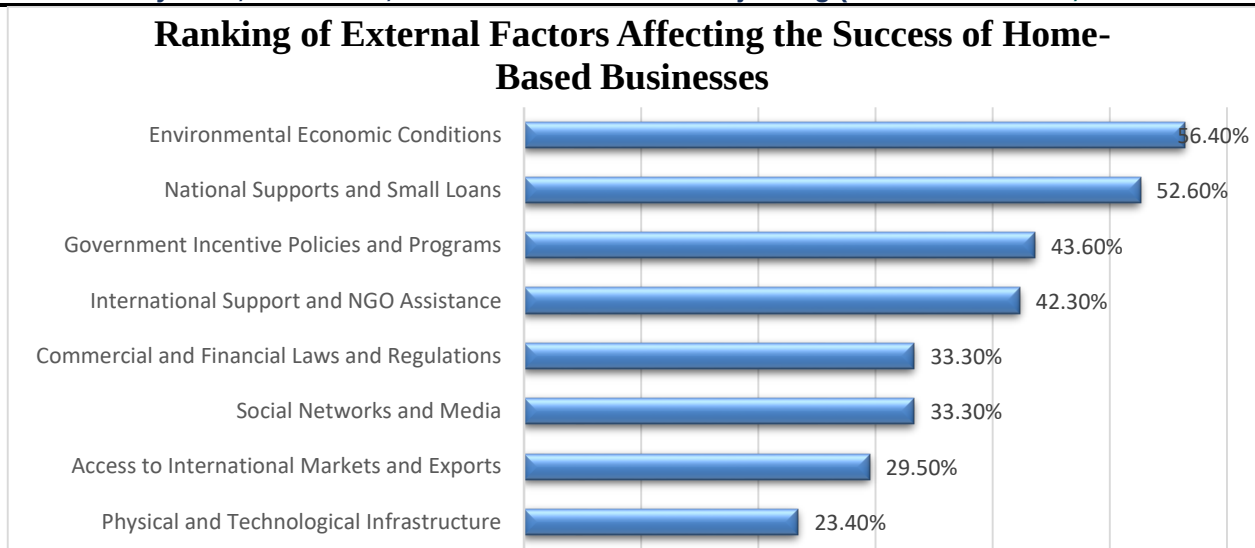


Figure 11. Ranking of External Factors Affecting the Success of Home-Based Businesses

Analysis of External Factors Affecting the Success of Home-Based Businesses in Balkh Province

As shown in the table 6 and the Figure 11, the research findings indicate that environmental economic conditions, confirmed by over 56% of respondents, are the most important external factor for the success of home-based businesses in Balkh. Ranked second are national supports and small loans, with over 52% approval, highlighting the significance of access to government financial resources and banking facilities for the development of such activities. Additionally, government incentive policies (about 44%) and international support (around 42%) are seen as effective factors in empowering small entrepreneurs. On the other hand, social networks and media, along with financial and commercial regulations, each with approximately 33% approval, share the fifth rank. Finally, access to international markets (under 30%) and physical and technological infrastructure (around 23%) received the lowest approval rates. Overall, the results suggest that the success of home-based businesses is largely dependent on regional economic conditions and financial supports, while the capacity to leverage social networks and media as modern opportunities has yet to be fully utilized.

Qualitative Analysis of the Supportive Role of Government and Non-Governmental Institutions in the Development of Home-Based Business with Low Capital (Respondents' Perspectives)

The analysis of the obtained data shows that the development and strengthening of home-based businesses in Balkh province require an integrated, multi-dimensional approach based on constructive interaction among government institutions, non-governmental organizations, and the local community. This section, as an important complement to the overall analysis of the research, presents new findings based on the open and descriptive responses of the participants, which reflect their experiences, concerns, and practical suggestions for improving and strengthening these businesses. These results, by adding a qualitative layer to the other findings of the research, provide practical and policy-oriented topics for decision-makers, planners, and support institutions so that they can design and implement targeted and effective actions in support of home-based businesses. The findings of this section will be presented in a coherent and categorized manner as follows:

Financial support and economic facilities

Respondents prominently emphasize the importance of interest-free loans, small loans, and installment loans for capital provision and the development of home-based businesses. Additionally, financial and technical support such as providing capital, machinery, and equipment, as well as comprehensive support (financial, tools, and equipment), are considered key factors in enhancing the productive and operational capacity of businesses. Reducing financial pressures through tax cuts and benefiting from tax exemptions, as well as supportive policies such as incentive economic policies, create motivation and facilitate the path to growth. On the other hand, providing grants has been proposed as an effective incentive for starting or developing home-based

economic activities. Additionally, the imposition of tariff restrictions, such as high customs duties on foreign products, has gained particular importance in order to support domestic production and protect local markets. This set of supports, together, provides a solid foundation for the sustainable growth of home-based businesses.

Education, skill training, and cultural development

Respondents widely emphasized the importance of providing educational and professional workshops as a platform to enhance the knowledge and capabilities of home-based entrepreneurs. Additionally, specialized training such as sales skills, financial management, and business and infrastructural training in the manufacturing and agriculture sectors is of great importance for enhancing practical skills in target markets. The development of technical and managerial knowledge through professional and specialized managerial training and small business creation training is considered a key strategy for the sustainability of businesses. Alongside education, attention to enhancing technical skills, training, consulting, and advertising is also considered, which helps improve the quality and marketing of products. On the other hand, holding seminars to boost the morale of young people to prevent the brain drain is an important way to retain a skilled and creative workforce. Cultural promotion has also been highlighted as one of the foundations of business success, especially the promotion of using domestic products, which supports local production and strengthens the local economy. Ultimately, emphasizing the importance of consulting with entrepreneurs and ensuring that production meets the needs of the community significantly contributes to balancing supply and demand and improving product quality. Additionally, considering the innovative ideas of young people as a source of creativity and innovation provides a positive outlook for the future development of home-based businesses.

Infrastructure and facilities

Respondents emphasized the importance of creating and developing appropriate infrastructure as the main foundation for the growth of home-based businesses. One of the important matters is making kilowatts of electricity cheaper in order to reduce production costs and facilitate economic activities, which plays a key role in the sustainability of businesses. Additionally, the establishment of permanent exhibitions has been proposed as opportunities to introduce and showcase home products to wider markets. In this context, providing sales markets at local, national, regional, and international levels helps the growth and sustainable development of these businesses and facilitates access to new customers. Providing raw materials is also considered one of the vital needs, which is addressed by supplying cheap and high-quality raw materials. On the other hand, respondents needed the creation of suitable locations and workspaces for economic activities, which is especially vital for increasing productivity and better organizing businesses. Another important issue that was raised was granting permission for women to engage in work and have workspaces, which emphasizes the importance of women's participation in the household economy. The presence of trade unions and private enterprises as supportive and organizing institutions can play an important role in coordinating and advancing businesses. Additionally, assigning tasks to specialized and skilled individuals, or in other words, delegating work to those who are proficient (specialized task division), leads to increased quality and productivity. Providing access to tools and equipment is also one of the essential needs for the effective and daily activities of home-based businesses. Ultimately, providing suitable working conditions through the establishment of workshops as an appropriate platform for productive activities and the development of home-based businesses has been mentioned as another important solution.

4. Management, Policy-making, and Security Management, policymaking, and security

Respondents placed a very high importance on the formulation of policies and business procedures at the macro level of society, as this could provide a legal and supportive framework for the development of home-based businesses. Additionally, structuring the domestic production system has been proposed as a fundamental step in improving the quality and enhancing the capacity of domestic products. One of the main concerns is achieving financial independence for businesses, which can free them from external dependencies and pave the way for sustainable growth. Alongside that, ensuring the security of the business environment to protect assets and economic actors from potential risks has been mentioned as another important point. From a managerial perspective, the need for healthy and transparent management of entrepreneurs to ensure effective performance and prevent corruption and inefficiency was highly emphasized. Additionally, close monitoring of work progress has been

recognized as a factor for the continuous evaluation of business status and process improvement. Respondents also emphasized managing and strengthening customer relationships, which helps retain current customers and attract new ones. In the market domain, attention to market analysis for identifying opportunities and threats and adapting business strategies has been deemed essential. Additionally, attracting foreign aid was highlighted as an important source for securing financial and technological resources. Additionally, the initiation and support of developmental projects in the field of home-based businesses can pave the way for the development and expansion of activities.

Ultimately, creating conditions for launching home-based businesses in terms of regulations, facilities, and technical and social infrastructures was proposed as a foundation for comprehensive support of these businesses, which can play a key role in their growth and development.

5. Promotion and advertising Promotion and advertising

Respondents emphasized the importance of using local products as a key strategy in the development of home-based businesses, as this can strengthen the local economy and increase demand for domestic products. In addition, the role of consumers using products from home businesses in stabilizing the market and ensuring the sustainability of these businesses is very prominent. On the other hand, attracting investors' attention to this sector was also mentioned as one of the important factors for securing financial resources and the growth of home-based businesses. Incentive programs designed to support entrepreneurs and producers play an important role in encouraging and motivating the actors in this field. Respondents also emphasized the importance of creativity and innovation in product development, which can help differentiate the product and attract new markets. Additionally, the improvement of product quality was mentioned as a factor for attracting customer satisfaction and enhancing competitiveness. From a health and safety perspective, adhering to hygiene practices in the production and supply of products holds special importance, which influences consumer trust and increases demand. Ultimately, the effective support of families for home business operators, as an emotional and practical backing, is recognized as a foundation for the growth and sustainability of these activities.

5- CONCLUSION

In this research, based on field data, statistical and qualitative analyses, a clear and multidimensional picture of the status, opportunities, challenges, and factors affecting the growth and sustainability of home-based businesses in Balkh province was drawn. The findings indicate that these types of businesses not only respond to the economic needs of families but can also potentially become the main pillars of local development and economic participation, especially for women and youth, provided that supportive, educational, and institutional frameworks are properly established.

5-1- Interests, facilities, and capacities for starting home-based businesses in Balkh province:

5-1-1- Trends in Home-Based Businesses

The highest interest among respondents in starting home-based businesses in Balkh province is concentrated in the production sector, with more than half of the participants (56.4%) preferring this sector. In contrast, the service, digital, and agriculture sectors have shown less interest. This indicates that in the economic fabric of Balkh, the entrepreneurial mindset still leans more towards tangible and production-oriented activities, and there is a greater need for supportive and educational focus in this area.

5-1-2- The status of physical infrastructure and technological capabilities

Additionally, the findings regarding the status of the workspace and technological experience indicate that although the majority of respondents (60.3%) have sufficient physical space to set up a home business, about 40% of individuals still lack this opportunity, which itself constitutes one of the practical barriers to the growth of these businesses. Additionally, in the field of technology, more than half of the respondents (55.1%) lack sufficient experience in using the internet and digital tools, while only 44.9% have acceptable experience. This indicates that despite the existing capacities, the lack of digital skills remains a serious barrier to the effective use of technology in home-based businesses.

5-1-3- Initial capital required to start home-based businesses

Subsequently, the analysis of the initial capital distribution showed that the majority of respondents (32.1%) consider an investment between 20,000 and 50,000 Afghanis sufficient to start a business. However, nearly half of the respondents considered an investment of more than 50,000 Afghanis to be essential, among whom 26.9% desired an investment of more than 100,000 Afghanis. These findings indicate that despite the possibility of starting home-based businesses with moderate capital, access to sufficient financial resources remains a key challenge and requires targeted supportive facilities.

5-2- Investment opportunities in home-based businesses in Balkh province

On the other hand, the conclusion drawn from the analysis of investment opportunities in home-based businesses indicates that in the small industries sector, only certain activities such as tailoring and traditional handicrafts have been evaluated more favorably, while activities like carpet weaving and the production of hygiene products have received less interest. In the service sector, the inclination towards educational and beauty services has been evaluated as "somewhat suitable," but other services (such as consulting and nursing) face skepticism. In agriculture and animal husbandry, activities such as dairy production and vegetable cultivation have a better outlook, but options like beekeeping and herbal plant cultivation face a prevailing negative perception. Finally, in the digital sector, although online education and marketing have received relatively positive evaluations, areas such as graphic design, web development, and content creation face widespread distrust. Overall, the results indicate that opportunities with a cultural and tangible background in society enjoy greater popularity, while emerging or specialized fields still require cultural development, education, and public trust.

5-3- Challenges of home-based businesses in Balkh province

Additionally, the findings of this research indicate that the lack of initial capital, by a significant margin, is the main obstacle in starting home-based businesses in Balkh province; nearly 90% of respondents have identified this issue as the central challenge. In subsequent stages, the lack of an effective consumer market and weaknesses in the marketing and sales system, both at 48.7%, are considered significant obstacles to the continuity and sustainability of businesses. Additionally, issues such as difficulties in securing raw materials (34.6%) and the lack of adequate knowledge and skills (33.3%) clearly indicate that, in addition to financial resources, educational and infrastructural gaps also impact the growth of these businesses. Although social and cultural barriers (25.6%) and institutional and legal constraints (16.7%) are statistically ranked lower.

5-4- Environmental factors affecting the success of home-based businesses in Balkh province

5-4-1- Internal environmental factors

The research findings indicate that personal financial support, with 71.8% approval, is the most important internal factor for the success of home-based businesses in Balkh province. Additionally, access to cheap and high-quality raw materials (57.7%) and effective marketing and advertising (56.4%) are considered vital factors for the growth and sustainability of these businesses. Individual and managerial capabilities (52.6%) and the use of technology and the internet (47.4%) also play a significant role in improving performance and competitiveness. Although training and consulting, as well as access to local markets, have lower approval rates (44.9% and 42.3%) compared to other factors, they are still effective as complementary factors in ensuring business success.

5-4-2- External environmental factors

The conclusion shows that environmental economic conditions, with 56.4%, are the most important factor for the success of home-based businesses in Balkh. National support and microloans, with 52.6%, and government incentive policies and international support, with 43.6% and 42.3% respectively, play a significant role in empowering entrepreneurs. Social networks, media, and financial regulations each have a limited role at 33.3%, but they have growth potential. The least approval is given to physical and technological infrastructure (23.4%) and access to international markets (29.5%), indicating hardware and export

barriers. Overall, success is more dependent on economic conditions and financial support, and leveraging new opportunities requires strengthening.

5-5-The role and actions of governmental and non-governmental institutions in supporting and developing home-based businesses in Balkh

Financial support and economic facilities, as the primary axis, play a fundamental role in providing the initial groundwork for starting and expanding businesses. Providing capital through interest-free loans, installment microloans, and grants was one of the main demands of the respondents. Additionally, technical support through the provision of equipment and machinery to enhance production efficiency, and at the policy-making level, the implementation of tax exemptions, tax reductions, protective import tariffs, and incentive economic policies to strengthen domestic production were considered key measures.

In addition, education, skill training, and cultural promotion constitute an important part of empowering home-based businesses. Respondents highlighted the high importance of specialized training workshops and skill development for strengthening the knowledge and capabilities of home-based entrepreneurs. Key trainings include sales skills, financial management, business and technical training in the fields of production and agriculture, which enhance operational capabilities and align with market needs. Additionally, emphasis was placed on management training and specialized consulting to ensure business sustainability. Cultural promotion, especially through advertising and encouraging the use of domestic products, is recognized as an important pillar for supporting local production and strengthening the local economy. Paying attention to consulting entrepreneurs and utilizing the innovative ideas of young people also helps improve quality and innovation in businesses. Holding seminars to boost motivation and prevent the migration of young talent plays an important role in preserving creative and capable human capital.

Infrastructure and facilities are considered another vital pillar in the process of developing home-based businesses. Among the important necessities is reducing electricity costs (making kilowatt-hour cheaper) to lower production costs and increase the sustainability of activities. Additionally, establishing permanent exhibitions and providing sales markets from local to international levels help introduce and develop the product market. Providing affordable and high-quality raw materials, as well as suitable workspaces, especially for the presence of women, are among the other vital needs mentioned. The role of trade unions and private enterprises in organizing and supporting businesses is prominent. The division of specialized tasks among skilled individuals, access to appropriate equipment, and the establishment of production workshops are also fundamental strategies for enhancing the quality, productivity, and sustainable development of home-based businesses.

At the macro level, respondents emphasized the necessity of formulating comprehensive national policies and procedures to create a legal, supportive, and structured framework for the development of home-based businesses. The structuring of the domestic production system was also proposed as a fundamental step to enhance the quality and capacity of domestic production. The financial independence of businesses has been a key priority, as it reduces external dependencies and creates a foundation for sustainable growth. Ensuring physical and economic security is also considered vital for protecting investors and economic actors. In the field of management, emphasis has been placed on the necessity of healthy and transparent management to prevent corruption, continuous monitoring of activities, and enhancing operational efficiency. Strengthening customer relations and conducting thorough market analysis have also been highlighted as important strategies for maintaining and expanding market share. At the resource level, attracting foreign aid and launching development projects in the home-based business sector for the purpose of financing, technology, and technical development is of high importance. Ultimately, creating legal, social, and technical conditions for the establishment of home-based businesses is considered a key infrastructure for comprehensive support and facilitation of the growth of these activities.

And finally, in the promotion and advertising section, respondents specifically emphasized the importance of promoting the consumption of local products as an effective strategy for strengthening the local economy and stabilizing the market for home-based businesses. Attracting investors to home-based businesses was identified as one of the key areas for securing financial resources and strengthening capacities. In this context, the implementation of incentive programs for producers and entrepreneurs plays an effective role in increasing motivation and dynamism in this sector. Significant emphasis has also been placed on innovation and creativity in product development, which are considered key factors in market differentiation, value addition, and attracting new customers. Additionally, the improvement of product quality was emphasized to enhance customer satisfaction and competitiveness.

From a health perspective, adherence to health and safety standards in the production and supply process was identified as a key indicator for building trust and sustainable market development. Ultimately, the supportive role of families—both emotional and practical support—was identified as one of the fundamental pillars in the continuity, morale boosting, and success of home-based business operators.

5-6- Practical recommendations for decision-making, supportive, and executive institutions to support home-based businesses in Balkh province

1. The Ministry of Finance of Afghanistan, in coordination with the Balkh Tax Administration, should design and implement a framework for temporary tax exemptions or reductions for newly established home-based businesses, especially those run by women and youth. Simultaneously, the Ministry of Economy and the Central Bank, in collaboration with private banks and lending institutions, can provide interest-free or preferential interest microloan programs for vulnerable groups (single women, unemployed youth, and low-income households) to facilitate the establishment of home-based production activities.
2. The Ministry of Labor and Social Affairs and the National Institute of Technical and Vocational Education, utilizing the capacity of public and private vocational training centers in Balkh province, and in coordination with organizations such as UNDP and ILO, that are active in Balkh, should hold practical and market-oriented vocational training courses in areas such as home food industries, sewing, packaging, digital marketing, and basic accounting. The focus of these courses should be on quickly preparing individuals for entering the job market with limited resources.
3. The Breshna Balkh Department, the Industry and Commerce Directorate, the Mazar-e-Sharif Municipality, and the Balkh Women's Affairs Directorate should, in collaboration with the district councils, facilitate access to electricity, safe working environments, local sales markets, and raw materials for home-based producers, especially women. By allocating a portion of local markets for women entrepreneurs or home-based producers, their economic participation can be strengthened.
4. The Ministry of Information and Culture, local media (television and radio active in Balkh), and the Chamber of Commerce and Industry of Balkh Province can support the marketing of domestic products by organizing local exhibitions, introducing products in the media, and conducting awareness campaigns to promote the purchase of domestic goods. These measures not only increase the demand for domestic products but also boost consumer confidence in local products.
5. The Ministry of Justice, the Ministry of Industry and Commerce, and the Legal Department, in collaboration with their provincial representatives, should design a simple, legalized, and implementable framework for the official registration of home-based businesses, which includes specific steps for obtaining licenses, registering activities, and providing legal support for small businesses. Simplifying the legal processes will help reduce administrative corruption and increase transparency in the market.
6. Civil society organizations, local media, and the Department of Information and Culture of Balkh should help change traditional and negative attitudes towards the work of women and youth in the home environment by implementing cultural and awareness programs at the family and neighborhood levels. Highlighting successful examples of entrepreneurial women and youth in the media and public forums can increase social acceptance and family and community support for home-based employment.
7. The Ministry of Industry and Trade, business incubators can support the improvement of the quality of domestic products and the sustainable growth of these businesses by designing creative competitions, providing small financial incentives, and promoting innovation. These activities should be based on local capacity and market needs.

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